

EXHIBIT B2



Contract (Long Form)

This is a Contract between the below named Contractor ("Contractor"), a California corporation, and Pacific Gas and Electric Company ("PG&E"), a California corporation with its headquarters located at 77 Beale Street, San Francisco, California 94105.

Contractor's Legal Name:	GEI CONSULTANTS, INC. PC	PG&E Contract No. 1865
Contractor's Address:	180 Grand Ave., Ste. 1410 Oakland, CA 94612	Total Number of Pages: 116

Project Name: Salt Springs-Tiger Creek NERC Project - Geotechnical Investigation

Job Location: Salt Springs-Tiger Creek 115kV Transmission Line, Amador County

WORK: Contractor shall, at its own risk and expense, perform the Work described in this Contract and furnish all labor, equipment, and materials necessary to complete the Work as summarized below and as more fully described in Attachment 1: Scope of Work. This is not an exclusive Contract. This Contract does not guarantee Contractor any Work nor is there any guarantee as to any volume or duration of Work.

Contractor shall perform geotechnical investigation services along PG&E's Salt Springs-Tiger Creek 115kV transmission line located in Amador County, CA.

ATTACHMENTS: Each of the following documents is attached to this Contract and incorporated herein by this reference:

- Attachment 1: Scope of Work (7 pages)
- Attachment 2: CLF General Conditions (47 pages)
- Attachment 3: NERC Alert Project - Discrepancy Site Evaluation Form (48 pages)
- Attachment 4: Site Map (12 Pages)

CONTRACT TERM: This Contract is effective upon signature by both parties and expires on 12/31/2018.

COMPLETION: Contractor shall commence performance hereof when directed to do so by PG&E. Work shall be completed by the completion date of 12/31/2018. Time is of the essence.


INSURANCE: Contractor shall maintain insurance in accordance with Section 25.0 of the General Conditions.

TERMS OF PAYMENT: In accordance with Sections 15.0 and 16.0 of the General Conditions.

CONSIDERATION: As full consideration for satisfactory performance of the Work by Contractor, PG&E's total obligation to Contractor shall not exceed the following amount. This amount is inclusive of all taxes incurred in the performance of the Work. Any change to this amount shall only be authorized in writing by a PG&E Contract Change Order, fully executed by both PG&E and Contractor.

TOTAL: \$89,749.94 Lump Sum and Time & Expenses Not to Exceed (\$33,174.50 LS and \$56,575.44 T&E/NTE)

THE PARTIES, BY SIGNATURE OF THEIR AUTHORIZED REPRESENTATIVES, HEREBY AGREE TO THE TERMS OF THIS CONTRACT.

PACIFIC GAS AND ELECTRIC COMPANY		CONTRACTOR: GEI CONSULTANTS, INC.	
Signature	e-Signed by Bryan Imm on 2017-12-21 22:17:58 GMT	Signature	
Name	Bryan Imm	Name	WILLIAM RETBERG
Title	Supervisor, Contract Development	Title	SENIOR VP
Date		Date	12/6/17



ADMINISTRATION			
PG&E Negotiator	Susan Bell	Contractor Representative	Todd Crampton
Phone	916-472-2135	Phone	510-350-2934
Email	S8bt@pge.com	Email	tcrampton@geiconsultants.com
Accounting Reference	74000671		
PG&E Work Supervisor:	Todd Nordman	Phone: 209-481-7770	
INVOICE INSTRUCTIONS: Contractor shall send invoices for each payment when due, showing the Contract number, to: PACIFIC GAS AND ELECTRIC COMPANY	Send ORIGINAL Invoice to: (See note below if using PG&E's electronic invoicing system)	PG&E Accounts Payable* PO Box 7760 San Francisco, CA 94120-7760	
	Send COPY of Invoice to:	Jennifer Brothers 6030 West Oaks Blvd. 3028F Rocklin, CA 95765 Or: Ets&pscontractinvoicing@pge.com	
	For information regarding invoice status, call PG&E's Paid Help Line at (800) 756-PAID (7243) or go to AP Web Reporting site at www.pge.com/actpay . *Note: Contractors using PG&E's electronic invoicing system do not need to mail a copy of the invoice to PG&E Accounts Payable.		

INTERNAL PG&E USE ONLY		
Distribution Date		
Distribution of Copies	<input type="checkbox"/> Document Services (Signed Original Copy) Mail Code N5D 245 MARKET ST., SAN FRANCISCO	<input checked="" type="checkbox"/> Contractor (Signed Original Copy)
	<input checked="" type="checkbox"/> Work Supervisor	<input type="checkbox"/> Manager
	<input checked="" type="checkbox"/> Invoice Approver	<input type="checkbox"/> Supervisor
	<input type="checkbox"/> V.P.	<input type="checkbox"/> Sourcing/ Purchasing
	<input type="checkbox"/> Director	<input type="checkbox"/> Law



SCOPE OF WORK

1.0 WORK DETAILS

Contractor shall perform geotechnical investigation services along PG&E's Salt Springs-Tiger Creek 115kV transmission line Project located in Amador County, California.

1.1 Project Scope

Contractor shall explore subsurface conditions and develop conclusions and geotechnical recommendations for the design and construction of new H-Frame tower foundations.

1.2 Pre Drilling Activities and Regulatory Approvals

USA Notification – Contractor and subcontractors shall notify Underground Service Alert (USA) of the planned field exploration program at least forty-eight (48) hours in advance. If needed, a private utility locator service can be used by PG&E

Health and Safety Plan – Contractor shall prepare a site-specific health and safety plan (HASP) in advance of work that meets the requirements of CAL/OSHA, and describes the required level of PPE needed for the field work.

1.3 Field Investigation

Proposed field investigation includes a site reconnaissance, drilling eleven soil borings, each extending 10 feet into rock or to a maximum depth of 40 feet, whichever is shallower. Soil cuttings and drilling mud generated during drill process will be spread around the drilling sites. Drilling is assumed to take approximately five (5) days in the field and require one mobilization/demobilizations of the drill crew.

1.3.1 Upon notice to proceed, Contractor will conduct a brief site reconnaissance with a PG&E Civil Inspector or other representative of PG&E to review site health and safety issues, mark the areas for soil boring locations, and to discuss other logistical issues.

1.3.2 The subsurface explorations will be scheduled with a PG&E Civil Inspector or other PG&E representative who will be onsite for all drilling and excavation activities.

1.3.3 Subsurface conditions will be explored by drilling exploratory borings with a truck-mounted drill rig equipped for mud rotary drilling. The borings will be located as close as practical to the locations proposed by PG&E, while avoiding conflicts such as overhead wires, underground obstructions, and high voltage electrical equipment. During the site reconnaissance Contractor will collaborate with PG&E to locate the borings.

1.3.3.1 Tower site locations shall be as noted: 000/003, 000/004A, 009/074, 009/076, 009/077, 013/103, 013/104, 013/105, 014/107, 014/108 & 014/110. One boring location per tower for 11 borings.

1.3.3.2 Soil samples will be obtained at 5-foot intervals. Soils will be sampled using either a 2-inch outside diameter, standard penetration test (SPT) barrel sampler in general accordance with ASTM D1586 or a 3-inch outside diameter, split-barrel "California-type" sampler in general accordance with ASTM D3550 for the remainder of the borings. The SPT and California-type samples will be obtained by driving a 140-pound automatic hammer with a free fall distance of 30 inches, in general accordance with ASTM D1586. Groundwater, if encountered, will be noted on the boring logs.

1.3.3.3 Borings will be logged by a field engineer or geologist.

1.3.3.4 Upon completion of drilling, the borings will be backfilled with soil cuttings, bentonite chips and/or cement grout per County and State requirements.

1.4 Geotechnical Laboratory Testing

Laboratory tests shall be performed on selected samples retrieved from the exploratory borings to evaluate the physical and engineering properties of the materials encountered. Tests may include the following:

- Grain-size analyses (ASTM D422)
- Atterberg limits (ASTM D4318)
- Unconsolidated undrained compression (ASTM D2850)
- Direct or triaxial shear (ASTM D3080)
- Unconfined compression/point load index
- Natural water content (ASTM D2216) and
- Other tests deemed appropriate or necessary



1.5 Data Evaluation, Analysis and Reporting

Site characterization will be performed based on the field and laboratory data obtained to develop geotechnical information for use in foundation design. Changes to the loading conditions or additional requested profiles may require an increase in the total contract value and a Contract Change Order. Results of Contractor's field explorations, laboratory tests, and engineering analyses shall be presented in a geotechnical report prepared under the direction of a California Registered Geotechnical Engineer and Certified Engineering Geologist. Based on Contractor's review of the proposed project, Contractor shall provide the following specific information and/or recommendations:

- A description of the proposed project including a vicinity map and a site map showing the approximate boring locations
- A description of the site surface and subsurface conditions encountered during the field investigation, including boring log
- A summary of the field exploration and laboratory test data
- Allowable skin friction and end bearing values for drilled shaft foundations for compressive and uplift loading, as appropriate;
- Lateral load resistance values in the form of L-pile input parameters, including soil or rock model type, effective unit weight, and strength parameters for each soil or rock stratum encountered. Strength parameters may include cohesion, friction angle, unconfined compressive strength, RQD, Young's modulus, and axial strain at 50 percent of the unconfined compressive strength, depending on the applicable soil or rock model recommended for each layer, also provide a recommended design groundwater level for input into L-pile; and,
- Lateral load resistance values in the form of MFAD v5.1 input parameters. For soil layers, these values will include unit weight, cohesion or internal friction angle, and deformation modulus. For rock layers, these values will include effective strength parameters (friction angle and cohesion) and rock mass modulus of deformation based on the Rock Mass Rating (RMR) system and rock to concrete bond strength.

The final report shall be provided as an electronic copy in PDF format. Contractor shall also provide the boring locations electronically in GIS format.

1.6 Additional Services

Contractor's geotechnical investigation is only a part of the geotechnical/materials testing services that are necessary during design and construction of the project. The following services may need to apply to this project and if required shall be approved by PG&E in advance and a Change Order shall be required: assessment of environmental characteristics, geotechnical consultation, project plan reviews, foundation and earthwork observation, and testing services during construction.

2.0 CONTRACTOR RESPONSIBILITIES

Contractor shall perform all Work and submit required deliverables as described in Section 1.0 Work Details.

2.1 The Contractor and Subcontractors are responsible for obtaining and continually updating the Underground Service Alert (USA) Ticket and providing the ticket to the PG&E on site Inspector prior to any excavation activities.

2.2 Contractor shall adhere to supplied NERC Alert Project-Discrepancy Site Evaluation Form requirements which are included in this contract.

Contractor's designated key personnel for the Work described herein shall possess the engineering, design, technical and functional skills as well as professional licensing required to competently and efficiently perform the Work described.

2.3 Contractor shall hold tailboard meetings with crew and PG&E site inspector, per Section 9 below.

2.4 Contractor ensures that all subcontractors are appropriately licensed according to the Work being performed, registered in ISNetwork with a Grade of A or B, Union signatory, Gold Shovel certified, if applicable, and approved in writing by PG&E Representative Susan Bell (s8bt@pge.com) or her designee. Contractor shall list all subcontractors, for PG&E approval, to be utilized for this Contract on PG&E's Exhibit 1-A, and list estimated and/or actual cost and description of work per each subcontractor. Contractor shall notify Susan Bell or her designee immediately for approval to utilize a subcontractor(s) not listed on their submitted PG&E Exhibit 1-A. Upon approval, Contractor shall submit a new Exhibit 1-A to Susan Bell or her designee to include said approved subcontractor(s).

3.0 PG&E PROVISIONS

PG&E shall provide or be responsible for the following:



- Environmental clearances
- Right-of-entry, and access to each drilling site, including clearing and minor grading as needed
- Any environmental/biological monitors required at the boring sites
- Marking utilities near drill site 0/4A
- Any available walk down notes
- Preliminary site plan
- Provide Contractor with Site Risk Assessment
- Review and acceptance of Contractor supplied Programmatic Safety Plan
- Geotechnical Investigation Request document
- Provide estimated weights of equipment, foundation slabs, and foundation sizes and types
- Provide load demands on each proposed tower footing, including axial compression, uplift, shear and moment at the ground line.
- Approval/acceptance for all deliverables by the PG&E Engineer.
- PG&E Project Representatives:
 - Engineer: Joseph Sun (email: jis4@pge.com; phone: 415-271-4660)
 - Environmental Specialist: Steve Dioszeal (email: SLDN@pge.com; phone: 209-814-4504)
 - Substation Lead Inspector: Todd Nordman (email: THN1@pge.com; phone: 209-481-7770)

4.0 CONTRACT TERM & SCHEDULE

Contractor shall NOT commence the performance of work until PG&E has reviewed and accepted Contractor supplied Programmatic Safety Plan (PSP). Upon acceptance of PSP by PG&E, Contractor shall be authorized to proceed as requested by PG&E and upon an executed Contract or PG&E's approval to proceed. Work shall be completed on or before **December 31, 2018**. A properly executed Change Order shall be required to extend all contract term and completion end dated.

- For the purposes of this Contract, Contractors work schedule is defined as defined as Monday – Friday between 0700 & 1730 (excluding PG&E recognized holidays), as determined required by Contractor to complete the Work described herein. If work outside of normal business hours is performed, costs for overtime work is considered included within the cost of this contract. The contract value will not be increased to include overtime unless the overtime work is required for additional work scope not already included herein.

5.0 ASSUMPTIONS

Contractor scope and pricing has been established for the Work described herein under the following assumptions:

- Should additional work be required and authorized by PG&E, a contract change order shall be required to add work performance changes to this Scope of Work, including the addition of funds to the contract for such specified work. Pricing for additional work shall be based on Unit Rates specified herein; otherwise, contractor shall provide the PG&E inspector with a cost proposal for review and authorization prior to performing any additional work. Should PG&E authorized new work on a Time & Equipment basis, the rates shall be based on rates established in this contract which shall be tracked daily on LM&E sheets that are to be signed by the onsite PG&E work supervisor/inspector or designee.
- Use of the term "Contractor" herein extends to Contractor's subcontractors as well.
- No meetings other than the site visit to mark boring locations is planned; if requested by PG&E, Contractor shall be available for other meetings. Any additional meetings shall be invoiced on a time and expense basis and requires a properly executed Contract Change Order.
- Work does not include the assessment of environmental characteristics involving hazardous or toxic substances. In the event that suspected hazardous materials are encountered, visually or by odor in any geotechnical test boring, Contractor shall immediately terminate such boring and make arrangements to backfill the boring with cement grout. Contractor shall notify PG&E Engineer immediately of such an occurrence. All added costs incurred as a result of suspected hazardous substances shall be invoiced on a time and expense basis and requires a properly executed Change Order.
- Work does not include drilling through concrete. If man-made obstructions are encountered at drilling locations that do not permit advancement of the boring, the additional time required to relocate borings for new attempts will be billed on an additional time and materials basis.
- All drill locations will be made accessible by PG&E to a truck or track -mounted drill rig prior to the arrival of Contractor's drill crew on site.
- All utilities will be marked at the exploration locations prior to the arrival of the field exploration crew. All



boring locations will be identified and staked by Contractor with concurrence from PG&E. Borings will be located by measuring from existing landmarks and will not be surveyed.

- Work is expected to be performed during one (1) mobilization and demobilization of the drill crew. Field exploration delays caused by reasons beyond Contractor's control that result shall lead to an increase in field exploration costs, which shall be billed on a time-and-materials basis. All utilities shall be marked at the exploration locations prior to the arrival of the field exploration crew. All boring locations shall be identified and staked by Contractor with concurrence from PG&E. Borings shall be located by measuring from existing landmarks and shall not be surveyed.
- Personal protective equipment used by Contractor's field exploration crew shall include arc-flash resistant clothing, hard hats, safety glasses, and heavy boots. If, in the opinion of the field crew, hazardous or contaminated soils are encountered during drilling, work shall be stopped immediately, and PG&E shall be contacted for further guidance.

6.0 WORK PERFORMANCE / DETAILS & SPECIFICATIONS

All work shall be performed in accordance with the requirements and specifications of the following documents (including all incorporations and references within & change orders, if any) which have been agreed to by PG&E and contractor. Any additional drawings will be provided to Contractor by PG&E at job site.

- Applicable ASTM Standards
- Attachment 2 – CLF General Conditions
- Attachment 3 – NERC Alert Project-Discrepancy Site Evaluation Form
- Attachment 4 – Site Map
- PG&E Accepted Contractor Programmatic Safety Plan (PSP)

Additionally, Contractor shall perform all Work per the PG&E standards and Design Criteria as referenced in Section 1.5 which, if not previously provided to Contractor, shall be provided by PG&E, and incorporated herein by reference.

7.0 TERMS & CONDITIONS

All Work shall be performed in accordance with the terms and conditions set forth Attachment 2: Long Form General Conditions.

8.0 PRICING & INVOICING

Pricing and invoicing for the Work described herein shall conform to a **Not-to-Exceed Time & Expense and Lump Sum amount of \$89,749.94 (\$33,174.50 LS and \$56,575.44 T&E/NTE)** which includes all labor, equipment, machinery, and related expenses to perform the work properly and completely and as further described below. Contractor shall be held responsible for any and all payments to non-PG&E approved subcontractors. An approximate breakdown of the cost is listed below.

Cost Breakdown

Task 1-Field Exploration			Mark up	
	Drilling Subcontractor (Lump Sum)	\$26,500.00	\$1,855.00	\$28,355.00
Drilling Prep	Senior Professional 7 @ \$217.30/Hour – 4 hours			\$869.20
	Senior Professional 5 @ \$160.93/Hour – 24 Hours			\$3,862.32
	Project Professional 4 @ \$135.30/Hour – 16 Hours			\$2,164.80
Borings	Senior Professional 7 @ \$217.30/Hour – 4 hours			\$869.20
	Senior Professional 5 @ \$160.93/Hour – 20 Hours			\$3,218.60
	Project Professional 4 @ \$135.30/Hour – 56 Hours			\$7,576.80
	Field Investigation – Drilling Subtotal			\$46,915.92
Task 2 - Lab Testing				
	Laboratory Testing (11 borings) (Lump Sum)	\$3,850.00	\$269.50	\$4,119.50
	Senior Professional 7 @ \$217.30/Hour – 2 hours			\$434.60
	Senior Professional 5 @ \$183.48/Hour – 4 Hours			\$733.92
	Project Professional 4 @ \$135.30/Hour – 8 Hours			\$1,082.40
	Lab Testing Subtotal			\$6,370.42
Task 3 - Report				
	Senior Professional 7 @ \$217.30/Hour – 14 hours			\$3,042.20



	Senior Professional 6 @\$183.48/Hour – 48 hours			\$8,807.04
	Senior Professional 5 @ \$160.93/Hour – 60 Hours			\$9,655.80
	Project Professional 4 @ \$135.30/Hour – 60 Hours			\$8,118.00
	Report Subtotal			\$29,623.04
Task 4- Proj. Management				
	Senior Professional 7 @\$217.30/Hour – 8 hours			\$1,738.40
	Senior Professional 5 @ \$160.93/Hour – 12 Hours			\$1,931.16
	Project Management Subtotal			\$3,669.56
Miscellaneous Costs				
	Permits	Lump Sum		\$500.00
	Equipment/Materials	Lump Sum		\$200.00
	Miscellaneous Costs Subtotal			\$700.00
Reimbursables (Expenses)				
	Per Diem	7 days	\$200.00/Day	\$1,400.00
	Mileage @ current IRS rate	600 miles	\$0.535/mile	\$321.00
	Truck Rental 1.5 weeks @ \$500.00/week	1.5 weeks	\$500.00/week	\$750.00
	Not to Exceed Reimbursables Subtotal			\$2,471.00
	Time & Expenses & Lump Sum TOTAL			\$89,749.94

- 8.1 All work not already specified herein shall be tracked on Labor, Equipment & Equipment (LM&E) sheets and submitted with invoices. Invoices shall be submitted only for actual Work performed shall clearly specify the Work that was performed and hours used.
- 8.2 If additional funding is required to complete the work, Contractor is to notify the PG&E representative and receive authorization prior to performing additional work. A properly executed Change Order is required to increase the value of the contract.
- 8.3 Consultant's travel and miscellaneous required expenses shall be reimbursed for actual costs incurred.
- Allowable expenses shall be defined as necessary and reasonable expenses and as specified in Attachment 2, General Conditions and also as outlined below and do not include overhead costs, air travel time, or mileage and use of personal car for normal commuting from Consultant personnel's home to/from the Consultant personnel's PG&E base office location(s).
 - Consultant must submit itemized receipts for all actual costs incurred including, date, item(s) amount, etc. in order to receive reimbursement.
 - Vehicle mileage, if applicable, shall be reimbursed at the IRS Standard Mileage Rate current at the time Work is performed. Mileage requests shall list starting and ending addresses to verify mileage
 - Hotel rooms, if required, shall be a standard room and any meals shall be itemized and shall exclude any alcohol.
 - Invoices shall specify the nature and purpose, if not clearly evident, of all expenses submitted for reimbursement, regardless of transaction value.
 - Required receipts will be verified by PG&E prior to reimbursement of expenses.
 - Failure to properly submit invoices may delay payment.
- 8.4 Consultant shall hold these current rates for the duration of this contract.
- 8.5 The final invoice shall be marked "FINAL" and must be received by PG&E within sixty (60) calendar days after completion of the Work. PG&E will not be liable for payment of any late invoices that are received by PG&E beyond such sixty (60) day period.

9.0 GENERAL SAFETY

This section contains general onsite safety requirements for an electrically energized facility area near electrically energized equipment or lines. It is intended to capture main safety requirements and raise awareness thereof. Contractor shall not consider this section to be all encompassing of safety requirements, but shall adhere to all requirements as detailed in Attachment 2: Long Form General Conditions. In addition, should a conflict exist between this section and Attachment 2: Long Form General Conditions, the Attachment 2: Long Form General



Conditions shall prevail. Should a safety requirement detailed in this section not be contained within Attachment 2: Long Form General Conditions, it shall be considered required by Contractor.

9.1 Site Safety Briefing

A site safety briefing shall be conducted by the PG&E site representative for each site prior to commencing work.

9.2 Electrically Energized Facility

Work to be performed by Contractor is in an electrically energized facility or an area containing potentially electrically energized lines, which warrants extreme caution while working around electrical equipment and power lines. Contractor shall take all precautions to protect its employees and subContractors from contact with energized equipment and prevent damage to existing site facilities, lines, and property. Contractor shall not enter an electrically energized facility or begin working in an electrically energized line area without an authorized PG&E representative's continual presence to observe all phases of Work.

9.3 Personal Protective Equipment and Clothing

All persons shall wear safety glasses, hard hats and other personal protective equipment necessary to perform Work safely. Frontal eye protection and hard hats shall be worn at all times. Frontal eye protection includes either safety glasses or prescription eyewear and must meet ANSI Z87.1-1989 standard.

All persons shall wear suitable clothing at all times to minimize danger when they are exposed to live electrical equipment or lines, moving machinery, hot surfaces or substances, potentially injurious substances, rough or sharp surfaces, open flames, explosions, etc. Rubber sole leather shoes shall be worn when entering PG&E powerhouses or switch yards.

9.4 Fall Protection

Contractor shall provide and use Cal OSHA approved harnesses and lanyards, lifelines or other adequate protection as required when working in elevated positions.

9.5 Clearances

Contractor shall perform Work within clearance points determined and tagged by the PG&E site representative. Upon arrival of Contractor onsite, PG&E will lock out/tag out the unit controls.

9.6 Contractor Safety Program

Contractor represents and warrants that it will perform all applicable Work, and cause all Subcontractors to perform all applicable Work, in compliance with PG&E's Contractor Safety Program Standard Contract Requirements, as may be modified from time to time. The Contractor Safety Program Standard Contract Requirements can be located and downloaded at: www.pge.com/contractorsafety and are hereby incorporated by reference into this Contract. Contractor's failure to comply with the Contractor Safety Program Standard Contract Requirements shall be immediate grounds for termination for cause under this Contract. Notwithstanding the above, Contractor is the "controlling employer" as defined under Cal OSHA and will remain responsible for all fines and liability arising from violation of the Contractor Safety Program Standard Contract Requirements and applicable law.

9.7 Flame Retardant Clothing

Contractor shall ensure that all Contractor personnel wear flame retardant clothing as defined by the American Society for Testing and Materials standard TM F1506-02a, "Standard Performance Specification for Textile Materials for Wearing Apparel for Use by Electrical Workers Exposed to Momentary Electric Arc and Related Thermal Hazards" under any of the following conditions:

- (i) The Contractor's personnel are subject to contact with energized circuit parts operating at more than 600 volts,
- (ii) The Contractor personnel's clothing could be ignited by flammable material in the work area that could be ignited by an electric arc, or
- (iii) The Contractor personnel's clothing could be ignited by molten metal or electric arcs from faulted conductors in the work area.

Contractor shall ensure that Contractor's personnel wear flame retardant clothing that has an arc rating greater than or equal to the available heat energy and ensure that personnel wear clothing that could not melt or ignite and continue to burn in the presence of electric arcs to which personnel could be exposed as required by the National Electric Safety Code (NESC-IEEE C2-2007). All garments shall have tags visible from the outside that clearly



identifies the garment as Flame Resistant (FR) and clearly indicates the arc rating (HRC category) of the garment. All garments shall have a minimum rating of HRC 2.

All Contractor's personnel requiring access to PG&E Transmission Lines or Distribution Line facilities, PG&E Substation facilities or PG&E Power Generation Facilities shall be required, at a minimum, to wear flame retardant clothing (long sleeve shirts, long pants or coverall as required) rated HRC 2 with a minimum rating of 8 cal/cm² for personal protection as required by the PG&E Arc Flash Hazard Control Procedure (SHC 237).

The Contractor shall take all precautions necessary to protect employees, public, and property from exposure to this risk. At a minimum, Contractor must comply with all federal, state, local, or any other regulations that apply to this Work.

9.8 Tailboard Briefings

Contractor shall hold and participate in tailboard briefings given by the Contractor and PG&E Onsite Supervisor. Conduct a tailboard before performing a job to discuss tasks involved, hazards, and related safety precautions. Conduct a tailboard: once per shift, prior to performing work, after extended delays in activity, anytime the jobsite activities or crew members change. After the briefing, each crew member should be able to demonstrate knowledge of:

- The work methods, procedures, and proper sequences for the job. This includes the task purpose, scope sequence, nature of work, review of procedures, work package documents, drawings, turn-over information, prerequisites, etc. that will be used to complete the task.
- What he/she and the other members of the crew are to do including task assignments, identifying and understanding roles and responsibilities, qualifications, personal limitations, hand-offs, and the controlling authority.
- The responsibilities and appropriate actions in emergency situations including emergency procedures and emergency contacts.
- The potential or known hazards or trouble spots involved and the controls to mitigate the hazards including identification of safety hazards, work procedures involved, special precautions, control of energy sources including permits and clearances, and personal protective equipment (PPE) and utilization of Human Performance tools for each critical step relevant to risk with industrial, environmental, safety and operations.
- What other work is going on in the area (e.g., PG&E, contractor, County, etc.).

If the job task or conditions change such that Contractor becomes aware of a hazard about which they have not received a tailboard briefing, they shall stop work and notify their supervisor and PG&E immediately.

END OF SCOPE OF WORK

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Each of the following Exhibits is attached hereto and incorporated herein:

EXHIBIT LME	Daily Statement of Labor, Material and Equipment (1 page)
EXHIBIT 1	Prime Supplier Subcontracting Plan Instructions (1 page)
EXHIBIT 1A	Prime Supplier Subcontracting Plan (1 page)
EXHIBIT 2	PG&E's Supply Chain Responsibility Policy (1 page)
EXHIBIT 2A	Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (1 page)
EXHIBIT 3	Injury and Illness Prevention Program Compliance Certificate (1 page)
EXHIBIT 4	PG&E Drug and Alcohol Abuse and Testing Policy (1 page)
EXHIBIT 5	PG&E Contractor Document Retention and Production Requirements (1 page)
EXHIBIT 5A	Document and Data List (1 page)
EXHIBIT 6	Audit Rights (1 page)
EXHIBIT 7	NERC Requirements (2 pages)
EXHIBIT 7A	PG&E NERC CIP Program Non-Employee Attestation Form (1 page)

1. DEFINITIONS

When used in this Contract, the following terms have the specified meaning:

- 1.1 "As directed," "as required," "as permitted," "approved," "written approval," "approval," "acceptable," "satisfactory," or similar terms, whether appearing as capitalized or lower case words, shall mean by or to PG&E unless otherwise specified.
- 1.2 "Bidder": The person or entity submitting a Proposal to perform the Work.
- 1.3 "Change Order": A Contract document signed by both Parties which modifies the price, schedule, or other terms of the Contract. In addition, a Change Order may include a Field Order.
- 1.4 "Contract": This agreement between PG&E and the Contractor, including the Specific Conditions, these General Conditions, all attachments, exhibits, and appendices, as well as all fully-executed Change Orders. The Contract also includes all fully-executed CWAs, if applicable.
- 1.5 "Contractor" or "Supplier": The person or entity entering into this Contract with PG&E to perform the Work.
- 1.6 "CPUC": The California Public Utilities Commission.
- 1.7 "CWA": Contract Work Authorization. If the Specific Conditions of this Contract so provide, then Contractor will be authorized to perform Work under this Contract in accordance with a CWA issued by PG&E describing a specific Work assignment. CWAs must be executed by both Parties. The terms and conditions of this Contract, as it may be amended, apply independently to each CWA.
- 1.8 "Days": Shall mean calendar days unless otherwise specified.
- 1.9 "FERC": The United States Federal Energy Regulatory Commission.
- 1.10 "Hazardous Materials" and "Hazardous Waste": Any material defined as such in any local, state or federal rule, regulation, law or code for the location in which the Work is performed. This includes, but is not limited to, the definition of Hazardous Material and Hazardous Waste set forth in the California Health and Safety Code, Division 20, Chapter 6.95.
- 1.11 "Malicious Code": Collectively, any malicious or unauthorized code, scripts, routines or techniques (including without limitation any virus, spyware, ransomware or other malware) that is designed to erase data or programming, or infect, impair, modify, record, take control of, disrupt, damage, destroy, disable, shut down or permit or cause unauthorized access to or misuse of a computer system or any component thereof.
- 1.12 "NERC": North American Reliability Corporation, which enforces reliability standards with all users, owners and operators of the bulk power system in the United States.
- 1.13 "Party" or "Parties": In the singular, PG&E or Contractor, and in the plural, both PG&E and Contractor.
- 1.14 "PG&E": Pacific Gas and Electric Company, a California corporation.
- 1.15 "PG&E('s) Representative": The PG&E work supervisor assigned to the project and identified in the Contract, the applicable CWA, or in writing by PG&E.
- 1.16 "Proposal": The bid quotation and package to perform Work under this Contract as submitted by Bidder to PG&E.
- 1.17 "Schedule": A document required by PG&E that identifies the sequence and timing of Work and other activities necessary to meet Contract completion dates.
- 1.18 "Specification": These General Conditions, the Specific Conditions, and any addenda to these and other documents specified under the Table of Contents.
- 1.19 "Subcontract": An agreement between Contractor and Subcontractor or between Subcontractors at any level for a portion of the Work under this Specification.
- 1.20 "Subcontractor": Party or parties entering into a Subcontract with Contractor or another Subcontractor to perform Work. The obligations of Contractor, where set forth in this Contract, shall also apply to Subcontractors regardless of level or tier.

- 1.21 "Work": All supervision, labor, materials, equipment and requirements necessary for the Contractor to fulfill the Contract requirements, regardless of whether or not they are specified in the Contract, and further includes all Goods supplied by Contractor under this Contract.

2. PROPOSALS

- 2.1 **FORM:** When required, Bidder's Proposal shall be made on a Proposal form supplied by PG&E. Bidder's Proposal shall be enclosed in a sealed envelope distinctly marked with the title of the Work, Specification Number, and the word "Proposal," and delivered to the address stated in the Proposal form on or prior to the time specified. Late Proposals will be subject to disqualification.
- 2.2 **SIGNATURE:** The Proposal shall be signed with the full name and local address of Bidder; if a partnership or joint venture, by a member thereof with the name and address of each member; if a corporation, by an officer in the corporate name and with the corporate seal.
- 2.3 **REJECTION:** PG&E RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS AND TO ACCEPT OTHER THAN THE LOWEST PROPOSAL.
- 2.4 **WITHDRAWAL:** Bidder may, without prejudice to itself, withdraw its Proposal prior to Contract award, provided a written request is delivered to the address stated in the Proposal form.
- 2.5 **ALTERNATE PROPOSAL:** Bidder may present an alternate proposal if accompanied by a completed Proposal in the form required by PG&E.
- 2.6 **RETURN OF MATERIAL:** Bidder's Proposal shall be accompanied by the Specification, drawings, and other loaned information. Bidder shall sign in the spaces provided in the Specification and on each drawing used in preparing its Proposal unless otherwise specified.
- 2.7 **SUPPLY CHAIN RESPONSIBILITY:** All Bidders must describe with their submission how they will comply with the requirements of **Exhibit 2**, "PG&E's Supply Chain Responsibility Policy." The requirements of **Exhibit 2** and the successful Bidder's response will be deemed incorporated into the Contract.
- 2.8 **QUALIFICATION: CONTRACTOR'S LICENSE LAW:** To qualify for Work subject to the Contractor's License Law, Chapter 9 of Division 3 of the Business and Professions Code of the State of California, Bidder's Proposal shall include a statement that Contractor is licensed under the law and shall indicate the type, number and the expiration date of the license.

3. CONDITIONS GOVERNING PRICING

- 3.1 **PRICING OF WORK:** Bidder is requested to quote prices for the Work as classified under the items in the Proposal Form. Prices quoted shall include all taxes incurred in the performance of the Work, but shall exclude the premium for any surety bond.
- 3.2 **COMPENSATION:** Consideration to be paid Contractor by PG&E will be a sum calculated as set forth in the Contract and based on the prices quoted by Contractor in its Proposal. Except for work specifically excluded, Work necessary to make a complete installation ready for use or operation shall be considered as included in the price or prices quoted for the Work, whether or not specifically classified for payment under the items of the Proposal.
- 3.3 **UNBALANCING PRICES:** PG&E will not honor claims by Contractor resulting from unbalanced bid prices where Contractor has quoted unit prices that are either over or under Contractor's estimated cost.
- 3.4 **LUMP-SUM ITEMS:** Work classified for payment on a lump-sum basis will not be paid for under unit price items, unless specified.
- 3.5 **WORKSITE CONDITIONS:** It will be assumed that Bidder has visited the worksite and that the Proposal is based on a full knowledge of all conditions that would affect the cost and conduct of the Work. Bidder shall inform itself fully and shall assume the risk as to the physical conditions at the worksite, including as applicable: (1) subsurface geology, borrow pit conditions and spoil disposal areas; (2) the availability, location, and extent of construction and storage areas and other facilities or structures above and below ground, including but not limited to, gas, water, sewer, electrical and communication utilities; (3) necessary safety precautions and safeguards; (4) dimensions not shown on the drawings; (5) the extent of established lines and levels; (6) work to be performed by PG&E or others; and (7) rules, regulations and requirements to be observed by Contractor in the conduct of the Work. **LACK OF KNOWLEDGE OF EXISTING CONDITIONS WILL NOT BE ACCEPTED AS AN EXCUSE FOR FAILURE TO PERFORM THE**

SPECIFIED WORK, NOR SHALL SUCH EXCUSE BE ACCEPTED AS A BASIS FOR CLAIMS FOR ADDITIONAL COMPENSATION.

- 3.6 VISIT TO WORKSITE: By appointment, PG&E will conduct Bidder over the worksite and will indicate the various features of the Work.

4. INFORMATION TO BE FURNISHED

- 4.1 INFORMATION WITH PROPOSAL: Bidder shall submit as part of the Proposal the following information which shall be under Bidder's letterhead:
- 4.1.1 Requested information regarding the plant and equipment which Bidder intends to use in the Work.
 - 4.1.2 Percentage fees applicable to Cost-Plus Work charged by Subcontractors. See the section entitled "Cost Plus Work."
 - 4.1.3 If applicable, Bidder shall furnish the data required by the section entitled "Adjustment Due To Changes In Material Costs."
 - 4.1.4 Additional information required to be submitted as listed in the Proposal Form.
- 4.2 INFORMATION AFTER AWARD OF CONTRACT: Within 21 days after award of Contract, unless otherwise specified in writing by PG&E, Contractor shall submit the following information to PG&E:
- 4.2.1 Copies of labor-craft agreements for the involved unions containing wage rates and fringe benefits in effect at the time of bid call date. If, during the Contract period, any changes are negotiated between the construction industry and the unions involved, revised copies of the labor agreements shall be furnished to PG&E.
 - 4.2.2 A segregation of Contract price, as directed, for each lump-sum item of the Proposal. The segregation shall itemize the estimated cost of each class of Work, together with an allowance for profit, insurance, and overhead expense, the total of which shall equal the Contract price of the item. When approved, the segregation shall become the basis for determining progress payments for Work performed, unless otherwise specified.
 - 4.2.3 Names and addresses of fabricators who will shop fabricate various items of Work included in the Contract, together with Contractor's purchase order number and the approximate dates fabrication will start and be completed. Fabrication shall not start until PG&E has approved shop detail drawings and arranged for inspection.
 - 4.2.4 A detailed proposed construction schedule complying with the Schedule set forth in the Specification.
 - 4.2.5 Names and addresses of Subcontractors. Contractor shall obtain prior approval from PG&E for Subcontractors and Subcontracts.

5. DRAWINGS AND SPECIFICATION

- 5.1 INCONSISTENCIES: The Specification and drawings are complementary and are intended to be consistent with each other. Contractor shall promptly report in writing to PG&E any discrepancies, errors, or inconsistencies in the Specification or drawings.
- 5.2 DIMENSIONS: Written or computed dimensions shall be used rather than scaled dimensions. Dimensions which tie into existing work shall be verified by Contractor at the worksite prior to commencing the Work. No claim will be honored which is a result of failure to comply with this requirement.
- 5.3 CONSTRUCTION DRAWINGS: As soon as possible after award of Contract, PG&E's approved construction drawings will be provided to Contractor. Bidding drawings shall not be used for construction purposes unless otherwise authorized in writing. PG&E anticipates that revisions may be made to the Contract drawings prior to the time they are issued as "Approved for Construction" and to the approved drawings from time to time during the Work. These revisions are expected to be minor changes in dimensions and in embedded items which may require Contractor to change its proposed construction methods and sequence of operations. Contractor shall plan its operations accordingly to accommodate the changes. Changes, as such, will not necessarily involve additional cost to Contractor. An increase or decrease in material quantities will be paid for or deducted under the appropriate Contract pricing items.

Where the change involves an increase in other costs to Contractor, PG&E will pay for the costs that are considered justifiable by PG&E. PG&E shall receive credit from Contractor for any reduction in Contractor's costs caused by the changes. However, PG&E reserves the right to be the final judge as to the amount of payments made after the facts are presented and evaluated.

- 5.4 **CONTRACTOR'S DRAWINGS AND SPECIFICATION:** If Contractor prepares specifications, calculations, and drawings, they shall be approved in writing by PG&E prior to use. Notwithstanding such approval, Contractor shall be responsible for the accuracy, practicability, and correctness of its specifications, calculations, and drawings, none of which shall operate to change the Specification or PG&E's drawings unless Contractor submits a written statement clearly describing the specific changes to the Specification or PG&E's drawings and obtains PG&E's written prior approval of the changes. In the event of conflict between this Specification or PG&E's drawings and Contractor's specifications, calculations, or drawings, the former shall prevail. Engineering Work performed by Contractor shall be in accordance with the California Civil and Professional Engineers Act.
- 5.5 **CHANGES TO SPECIFICATIONS AND DRAWINGS:** Requests by Contractor for changes in the requirements of the Specification and PG&E's drawings shall be specifically identified in writing and brought to the attention of PG&E for written approval of PG&E. No changes shall be made without such written approval.
- 5.6 **REFERENCES:** References within the Specification to standard specifications, codes, and requirements of organizations such as the American Society for Testing Materials (ASTM), the American Institute of Steel Construction (AISC), and others are referenced to the latest issue thereof, unless otherwise specified. Requirements of referenced specifications shall be deemed a part of this Specification, except that in the event of a conflict between the requirements of this Specification and those of the referenced specifications, the most stringent shall govern.
- 5.7 **PERMITS:** PG&E will obtain use permits, grading permits, general building permits and road relocation permits. Contractor shall at its expense obtain all other necessary permits, and licenses, serve notices, arrange for inspection, pay fees and deposits and otherwise comply with applicable laws, rules and regulations. If Bidder decides that the drawings and Specification do not comply with the laws, rules and regulations, Bidder shall notify PG&E in writing at the time its Proposal is submitted and shall indicate as a separate lump-sum item an adjustment to the Proposal to cover the cost of compliance.
6. **PRIOR WORK AND INFORMATION FURNISHED BY PG&E**
 - 6.1 **PRIOR WORK:** Work performed prior to award of Contract pursuant to PG&E's authorization shall be performed in accordance with, and shall be subject to, the provisions of this Contract.
 - 6.2 **PG&E'S RESPONSIBILITY:** Data made available to Bidder by PG&E for preparing Bidder's Proposal and data made available to Contractor by PG&E during performance of the Work shall not relieve Bidder or Contractor of responsibility for determining, through independent investigation if desired, the conditions affecting the cost and performance of the Work. PG&E makes no representation as to the completeness of the data and is not responsible for Bidder's or Contractor's conclusions drawn therefrom.
 - 6.3 **ESTIMATED QUANTITIES AND WEIGHTS:** Bidder shall determine the inclusiveness and quantity of the items of Work from the bid drawings. Quantities when stated in the Specification, Proposal, bills of material or drawings are provided for general guidance and Bidder's use, if Bidder wishes, in preparing its bid. PG&E assumes no responsibility for the stated quantities and will not honor claims arising from a difference between stated quantities and what is shown on the bid drawings. The use of stated or other quantities by PG&E for comparing bids shall not be disputed. Prices quoted in the Proposal shall include the cost of Work shown on the drawings and performed in accordance with the Specification.
7. **PERMITS AND LEGAL REQUIREMENTS**
 - 7.1 **NO GUARANTEE OF WORK: THIS IS NOT AN EXCLUSIVE CONTRACT. THIS CONTRACT DOES NOT GUARANTEE CONTRACTOR ANY VOLUME OR DURATION OF WORK. PG&E EXPRESSLY RESERVES ALL ITS RIGHTS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO CONTRACT WITH THIRD PARTIES FOR THE PERFORMANCE OF WORK OF THE TYPE CONTEMPLATED BY THIS CONTRACT; THE RIGHT TO REQUEST PROPOSALS FROM OTHERS WITH OR WITHOUT REQUESTING PROPOSALS FROM CONTRACTOR AND THE UNRESTRICTED RIGHT TO PERFORM THE WORK WITH PG&E'S OWN EMPLOYEES.**

- 7.2 **INDEPENDENT CONTRACTOR:** In assuming and performing the obligations of this Contract, Contractor is an independent contractor and shall not be eligible for any benefits which PG&E may provide its employees. All persons, if any, hired by Contractor shall be employees or Subcontractors of Contractor and shall not be construed as employees or agents of PG&E in any respect.
- 7.3 **CLAIMS:** If Contractor claims extra compensation or time from PG&E arising out of PG&E's administration or interpretation of the Contract or other action on the part of PG&E, Contractor shall submit to PG&E a written statement supporting the claim as soon as practicable but not more than 30 days after the action or decision giving rise to the claim. Portions of Contractor's claim incurred prior to written notification to PG&E shall be considered waived and failure to submit a statement within 30 days shall constitute a waiver of the entire claim.
- 7.4 **PERMITS AND RULES:** Contractor shall, without additional cost to PG&E, obtain required permits except for the general building permit, serve notices, arrange for inspection, and pay fees and deposits. Work shall comply with applicable governmental rules, regulations, and ordinances. A general building permit will be obtained by PG&E when required.
- 7.5 **EQUIPMENT DESIGN:** Equipment and material furnished hereunder shall be so designed and fabricated that when installed it will comply with applicable laws, rules, and regulations, including without limitation, the General Industry Safety Orders of the Division of Occupational Safety and Health, Department of Industrial Relations, State of California, which must be complied with before the equipment and material may lawfully be used by PG&E in California. Expenses incurred in complying with these requirements shall be included in the Contract prices.
- 7.6 **LIENS AND CONSTRUCTION LENDERS**
- 7.6.1 Contractor shall discharge at once, and hold PG&E harmless from, liens or stop notices that may be filed in connection with the Work. PG&E may retain from Contract payments sufficient funds to discharge delinquent accounts of Contractor or a Subcontractor for which liens on PG&E's property have been or can be filed or for which stop notices have been or can be filed, and PG&E may at any time pay therefrom, for Contractor's account by joint check or otherwise, such amounts as are admittedly due thereon. Contractor must furnish lien releases to PG&E in accordance with the Contract requirements.
- 7.6.2 In accordance with Civil Code Section 8210, PG&E represents that there are no construction lenders for this Work. Contractor shall make this information available to any person seeking to serve the notice specified in Civil Code Section 8200.
- 7.7 **COMPLIANCE WITH LAWS:** Contractor shall comply with all federal, state and local laws, rules and regulations applicable to the Work to be performed under this Contract and to all aspects of the employment relationships between Contractor and its employees assigned to this Contract. Contractor shall comply with all environmental and endangered species requirements and shall conduct its operations in a manner that complies with applicable programs and permits. To the extent Contractor's work is subject to PG&E-specific environmental permits or programs, PG&E will provide Contractor with such permit or program requirements. Unless prohibited by law, Contractor shall hold PG&E harmless from any liability, fine or penalty incurred as a result of Contractor's failure to comply with applicable legal and regulatory requirements.
- 7.8 **MOTOR CARRIER OF PROPERTY PERMIT:** This Section is applicable if in the course of the Work hereunder, Contractor or any Subcontractor will operate any motor vehicle(s) subject to regulation under the Motor Carriers of Property Permit Act, California Vehicle Code §§ 34600-34605 and related sections.
- 7.8.1 To perform any transportation services under this Contract, Contractor and any Subcontractor(s) must have a valid Motor Carrier of Property Permit ("MCP") issued to the operator by the California Department of Motor Vehicles, and Contractor represents and warrants to PG&E as follows:
- (i) Contractor has a valid MCP to perform any transportation services under this Contract;
 - (ii) On or before the effective date of this Contract, Contractor shall provide PG&E with the following documentation: (a) a true, correct and complete copy of its MCP, which MCP is in full force and effect as of the effective date of this Contract; and (b) a completed, signed form CHP 809 Motor Carrier Certificate of Compliance (available at <https://www.chp.ca.gov/home/forms>). Each time the MCP is renewed or modified,

Contractor shall provide the same documentation to PG&E promptly but no later than 10 days after such renewal or modified;

- (iii) Contractor shall not use any Subcontractor to perform transportation services under this Contract unless: (a) the Subcontractor has a valid MCP which is in full force and effect, and (b) Contractor has first provided PG&E with all of the information specified in section (ii) above for each such Subcontractor; and
- (iv) Contractor shall immediately cease and desist all transportation services and notify PG&E in writing if its MCP, or the MCP of any Subcontractor, or any portion of any MCP: (a) becomes invalid, including but not limited to any nonrenewal, suspension, revocation, cancellation, termination or withdrawal; or (b) is modified, transferred or otherwise changed, in which case Contractor shall promptly provide PG&E with a true, correct and complete copy of the revised MCP.

7.8.2 PG&E has the right to cancel this Contract for cause immediately upon written notice to Contractor if: (i) Contractor fails to provide any of the foregoing documentation, or (ii) PG&E receives notice that Contractor or any Subcontractor's MCP is invalid, including but not limited to suspension, cancellation, termination, withdrawal, modification or transfer of such MCP.

7.9 GAS OPERATION QUALIFICATION PLAN: If the Work provides for Contractor to perform tasks or subtasks identified by PG&E as work covered by the Department of Transportation Operation Qualification Guidelines listed in 49 CFR 192 and 195 and in PG&E's Gas Operation Qualification Plan, Contractor and Subcontractor(s) must be qualified to perform such Work. Furthermore, Contractor and Subcontractor(s) must be able to recognize and react appropriately to abnormal operating conditions that may indicate a dangerous situation or a condition exceeding design limits.

7.9.1 DOCUMENTATION OF COMPLIANCE: Contractor and Subcontractor(s) shall, in order to verify compliance with, and qualifications under, both the DOT Operator Qualification Rule and PG&E's DOT Operator Qualification Plan, provide copies of (i) Contractor's and/or Subcontractor's Qualification Plan; (ii) Certification of compliance with DOT Operator Qualification Guidelines, dated and signed by Contractor; and (iii) Certification of performance-based testing for each Contractor or Subcontractor employee assigned to perform covered tasks/subtasks, clearly identifying the individual certified. Before beginning Work, Contractor shall submit the above documents to:

PG&E Operator Qualification Specialist
GSM & TS
375 North Wiget Lane, Suite 200
Walnut Creek, California 94598

7.9.2 DOCUMENTATION OF INDIVIDUALS: The documentation that supports an individual's qualification must, as a minimum, include: (i) the identity of the individual including, but not necessarily limited to, full name and the last four digits of the Social Security Number or, preferably, the employee number; (ii) identification of each task/subtask for which he/she is qualified; (iii) date of Qualification for each task/subtask; (iv) Qualification frequency as determined by Pacific Gas and Electric Company; (v) last Qualification date; and (vi) Qualification Method – oral, written, and/or performance-based.

7.9.3 PG&E QUALIFICATION: PG&E, at its option, may also require that Contractor and Subcontractor personnel be qualified under PG&E's Gas Operation Qualification Plan. In such event, PG&E's Operator Qualification Specialist will advise Contractor of the location, date and time for qualification. PG&E may require that the entire crew be qualified or that only lead personnel be qualified. PG&E will provide Contractor with copies of all qualification documents prior to start of covered Work.

7.9.4 EXPIRATION OF QUALIFICATIONS: All Contractor and Subcontractor qualifications will expire upon Final Completion of the project or as determined, in writing, by PG&E.

7.9.5 RECORD KEEPING: As defined in Record Keeping in Section 1.8 of PG&E's Operator Qualification – Basic Plan, Contractor and Subcontractor(s) must maintain records of individual qualification while the individual is performing covered tasks/subtasks and for a minimum period of five years after the individual is no longer performing covered tasks/subtasks.

- 7.9.6 **CONTRACTOR RESPONSIBILITIES:** Contractor shall be responsible for all penalties and costs associated with Contractor or Subcontractor failure to comply with the foregoing. Contractor shall notify PG&E immediately of any changes in the status of the employee or Subcontractor that affects their qualification to perform covered tasks.

8. CONTROL AND PERFORMANCE OF THE WORK BY CONTRACTOR

- 8.1 **INDEPENDENT CONTRACTOR:** In assuming and performing the obligations of this Contract, Contractor is an independent contractor and shall not be eligible for any benefits which PG&E may provide its employees. All persons, if any, hired by Contractor shall be employees or Subcontractors of Contractor and shall not be construed as employees or agents of PG&E in any respect.
- 8.2 **CONTRACTOR'S REPRESENTATIVE:** During construction, Contractor shall retain a qualified representative in charge at the worksite who will supervise and exercise control over the Work, including that of Subcontractors. Contractor shall notify PG&E in writing who is to be Contractor's representative in charge of the Work.
- 8.3 **COORDINATION OF WORK:** In order that the entire project will be economically completed with the least delay and inconvenience to involved parties, Contractor shall coordinate its Work with work to be performed by others. Contractor shall make necessary and proper provisions to accommodate the work of others and shall cooperate in the use of equipment and in the exchange of templates and other data to ensure the proper performance of the Work.
- 8.4 **LAYING OUT WORK:** PG&E will provide the bench marks and control lines necessary for Contractor to lay out the Work. Contractor shall lay out and construct the Work accurately to the lines and elevations shown on the drawings. Survey field notes of points set by Contractor shall be available to PG&E. Contractor shall check the lines, dimensions, and elevations of each portion of the Work as it is completed to insure the proper construction of subsequent Work. Discrepancies shall be reported immediately to PG&E. Contractor shall use reasonable precautions to preserve established lines and grades.
- 8.5 **TIMELY PERFORMANCE OF WORK:** Contractor shall schedule and perform its Work to ensure completion in accordance with Contract milestone dates. Failure to meet Contract milestones or the completion date can result in significant damage to PG&E including but not limited to direct cost to recover time lost, claims paid to other contractors resulting from Contractor's delay, additional cost of inspection and project administration resulting from Contractor's delay and additional actual cost of project financing resulting from Contractor's delay. Time of completion is a material provision of the Contract.
- 8.6 **CORRECTIVE ACTION PLAN:** Except as otherwise provided in this Contract, Contractor shall meet or achieve each milestone or deliverable for the Work by the applicable date. If PG&E reasonably believes that Contractor is not making substantial progress, or if Contractor fails to achieve a milestone or complete a deliverable by the applicable date, and such failure is not attributable to reasons entitling Contractor to a Contract Change Order, then Contractor shall provide for PG&E's approval a corrective action plan that will demonstrate achievement at the earliest possible date to minimize delay of the Work schedule. Such corrective action plan shall include, without limitation, reasonable evidence of increases in Contractor's work force, increases in the number of shifts, overtime operations, additional days of Work per week, and such other evidence (including schedule analysis) as necessary for the timely completion of the Work. Upon receipt of PG&E's written concurrence, Contractor shall diligently comply with such corrective action plan; provided, however, that PG&E's concurrence shall not affect any of PG&E's rights or Contractor's obligations under this Contract.
- 8.7 **CONSERVATION:** In view of the national need to conserve resources, material and energy, Contractor shall plan and conduct the Work in the most efficient way practical consistent with accepted construction practices.
- 8.8 **OBSTRUCTIONS, CUTTING AND PATCHING:** Cutting of masonry, steel, woodwork, and other materials already in place, to accommodate the Work, shall be at Contractor's expense. Work shall be performed only after securing PG&E's approval regarding the location and extent of such cutting. Obstructions to the Work shall be removed by Contractor, unless otherwise specified. Removed obstructions shall be repaired or replaced at Contractor's expense.
- 8.9 **MAN-HOUR REPORT:** If requested by PG&E, Contractor shall submit a daily record of man-hours worked by each of its employees to facilitate PG&E's accounting. The transcript shall fully describe the various classes of Work performed in conformance with the applicable classifications set forth in PG&E's item

segregation, or the breakdown of the classifications as may be deemed advisable by PG&E. The transcript shall also indicate the time allotted to each classification of Work and the hourly or daily applicable rates of pay of the employees.

8.10 MATERIALS, FACILITIES, SERVICES, AND STRUCTURES FURNISHED

- 8.10.1 **ADEQUACY AND SAFETY:** Contractor shall inspect, determine to its satisfaction, and be responsible for the adequacy and safety of materials, tools, equipment, plant, temporary or permanent structures incidental to the Work, storage or office space and other facilities and services used in the Work whether furnished or constructed by PG&E, Contractor, or others. Drawings of structures furnished by PG&E will show minimum requirements only and shall not relieve Contractor of any responsibility.
- 8.10.2 **PG&E'S EQUIPMENT:** When Contractor is permitted to use PG&E materials, tools, facilities, or equipment, they shall be maintained by Contractor in first-class condition and good repair. Contractor shall be responsible to PG&E for damage, misuse, or loss thereof.
- 8.10.3 **CONTRACTOR'S EQUIPMENT:** Tools, equipment, and other facilities provided by Contractor shall be maintained in good repair and efficient operating condition and, if found by PG&E to be unfit, shall be removed from the worksite and replaced by Contractor.

9. PG&E'S OPERATION; CERTAIN RIGHTS AND RESPONSIBILITIES

- 9.1 **PG&E'S OPERATIONS:** Contractor shall conduct the Work in a manner that will cause a minimum of inconvenience to PG&E, its employees, and the general public. PG&E's business and public utility operations must be maintained without interruption during the progress of the Work, and no unnecessary interference will be permitted. Contractor shall notify the PG&E Representative at least 72 hours in advance of any Work which Contractor knows or believes may interfere with PG&E's business or utility operations. Contractor's failure to notify PG&E as required by this provision may result in cancellation of the Contract or applicable CWA for cause.
- 9.2 **USE OF FACILITIES:** PG&E shall have the use of constructed facilities during the Contract period whether facilities are completed or not. If PG&E makes use of an uncompleted facility, PG&E will reimburse Contractor for actual expense Contractor may incur as a result of such use.
- 9.3 **PG&E'S REPRESENTATIVE:** Contractor will be notified in writing who will be PG&E's authorized representative for the Work. Contact between Contractor and PG&E shall be through PG&E's authorized representative, unless otherwise specified. Questions concerning the Contract, including the meaning of its terms and the sufficiency of Contractor's performance, shall be promptly submitted to PG&E for a decision. PG&E's decision, in the exercise of reasonable judgment, shall be final.
- 9.4 **PERMITS:** PG&E will obtain use permits, grading permits, general building permits and road relocation permits. Contractor shall at its expense obtain all other necessary permits, and licenses, serve notices, arrange for inspection, pay fees and deposits and otherwise comply with applicable laws, rules and regulations.
- 9.5 **INSPECTION AND TESTS:** PG&E has the right to make field and shop inspections and tests. PG&E's inspectors shall have free access to the Work at all times. Neither the making nor the failure to make inspections and tests by PG&E nor the express or implied approval of the Work shall relieve Contractor of the responsibility to complete and guarantee the Work as specified. Rejected Work shall be remedied at Contractor's expense. Field inspections and tests will normally be made by PG&E. Shop inspections and tests will normally be made by PG&E.

10. CERTAIN OBLIGATIONS OF CONTRACTOR

- 10.1 **MATERIALS AND WORKMANSHIP:** Materials and workmanship shall be new, first class in every respect, plumb and true, and shall comply with the requirements of the Specification and drawings. Materials and workmanship shall be subject to the inspection of PG&E. If Contractor fails to provide materials and workmanship in compliance with the Specifications and drawings, PG&E reserves the right to cancel the Contract for cause. Contractor shall furnish all labor, materials, equipment, and services required for the Work unless otherwise specified.
- 10.2 **TRADES:** Various branches or trades into which the Work is divided are generally specified under separate divisions of the Specification. Contractor shall, in accepting the bid of a Subcontractor for a given trade, be satisfied that the Work to be performed by that trade is included in the Subcontractor's bid, whether or not it

is specifically required within the division relating to that trade or class of Work. Journeymen and other workers employed in the Work shall be skilled in their trades. Workers employed by Contractor shall be subject to PG&E approval.

- 10.3 **RISK OF LOSS OR DAMAGE TO WORK:** Until the Work is completed and accepted by PG&E, the risk of loss or damage to the Work shall remain with Contractor. No damages or extras will be allowed for unforeseen difficulties or obstructions, except as specifically authorized herein.
- 10.4 **BOND REQUIREMENTS:** If requested by PG&E, Contractor shall, within 5 days of request, obtain a payment and performance bond in the amount specified by PG&E up to 100 percent of the Contract price in a form and with a surety acceptable to PG&E. PG&E will reimburse Contractor for the bond separately within 21 days of receipt from Contractor of the surety company's invoice. Failure of Contractor to obtain the bond as specified will be cause to cancel the Contract.
- 10.5 **EQUIPMENT DESIGN:** Equipment and material furnished hereunder shall be so designed and fabricated that when installed it will comply with applicable laws, rules and regulations, including without limitation, the General Industry Safety Orders of the Division of Occupational Safety and Health, Department of Industrial Relations, State of California, which must be complied with before the equipment and material may lawfully be used by PG&E in California. Expenses incurred in complying with these requirements shall be included in the Contract prices.
- 10.6 **ADVERTISING MATTER:** Contractor shall neither advertise nor allow advertising at the worksite without written approval.
- 10.7 **INSTALLATION OF EQUIPMENT:** Equipment shall be installed level, properly aligned, and completely assembled in accordance with the manufacturer's standards and left in acceptable operating condition.
- 10.8 **INFORMATION RELATED TO EQUIPMENT:** Contractor shall provide to PG&E for use by PG&E, and contractors doing work for PG&E, copies of all instruction manuals, drawings, data, processes and procedures, or other information required to service and maintain the equipment.
- 10.9 **CONTROLLED SITE ACCESS:** A distinctive visible identification badge shall be furnished by Contractor and worn by its employees when on PG&E's property. Insofar as practicable, PG&E will require Contractor's employees to use one designated access in going to and from the worksite. Contractor's guests and visitors shall secure a permit from PG&E to enter the worksite, and will be logged in and out of the property with PG&E retaining the permit at the time of logging out. Contractor's employees shall not enter electrically energized equipment areas or other areas out of construction limits except with written permission.
- 10.10 **ADDITIONAL PRECAUTIONS:** If PG&E requests Contractor to provide certain safeguards not in use but considered necessary and if Contractor fails to comply with the request within a reasonable time, PG&E may provide the safeguards at Contractor's expense. Failure to comply with safety precautions required by PG&E may result in cancellation of the Contract for cause.
- 10.11 **PROTECTION OF FLOORS AND WALLS:** Contractor shall protect floors and walls from damage and discolorations due to exposure to oils and other discoloring agents during performance of the Work. Damage or discoloration shall be repaired to PG&E's satisfaction at Contractor's expense.
- 10.12 **CLEANING UP:** With respect to its own operation, Contractor shall maintain the worksite and related structures, equipment, and facilities in a clean, orderly condition during progress of the Work and clean up debris to the satisfaction of PG&E. If, in PG&E's opinion, the worksite is not being kept in a clean, orderly condition and if upon notice to correct the condition Contractor fails to so do, PG&E may shut down the Work until cleanup is performed or order others to perform cleanup work at Contractor's expense. Building surfaces, including glass, shall be left clean. Where more than one contractor is working at the worksite, and there is a disagreement in regard to the amount of cleanup each shall perform, PG&E will designate the amount of cleanup work each contractor shall perform. Immediately prior to placing the Work in service or before Contract completion, Contractor shall remove its tools, construction equipment, debris, and waste material from the worksite and leave the area in a clean and orderly condition to PG&E's satisfaction.

11. GUARANTEES AND EQUIPMENT WARRANTY

- 11.1 **GENERAL WARRANTY:** Contractor warrants and guarantees to PG&E (the "General Warranty") as follows:
- 11.1.1 **EQUIPMENT WARRANTY:** All materials, equipment and systems incorporated into the Work shall be free of defects and deficiencies in materials, assembly and workmanship, new, unused and undamaged when installed, in compliance with the requirements of this Contract, suitable for use under the climatic and operating conditions described in the Contract, and otherwise in compliance with the standards of performance set forth herein.
- 11.1.2 **WORKMANSHIP WARRANTY:** The procurement (if any), construction and installation services included in the Work shall be performed in compliance with the requirements of this Contract, and shall otherwise comply with the standard of performances set forth in this Contract. Contractor will perform and complete the Work in a professional and workmanlike manner, using appropriate numbers of personnel with suitable training, education, experience and skill to perform the Work in accordance with the Contract requirements. The completed Work shall perform its intended functions as a complete, integrated operating system as described or implied in the Contract.
- 11.2 **BREACH OF GENERAL WARRANTY:** If a breach of the General Warranty has occurred within five years after the Work is placed into commercial operation (the "General Warranty Period") and PG&E so notifies Contractor in writing during the General Warranty Period, or no later than 30 days after the expiration of the General Warranty Period, Contractor shall correct the defects and deficiencies promptly, without additional compensation and with minimal interference to PG&E's operations. Contractor's obligation to correct defects and deficiencies shall include labor, parts, transportation, factory repair and testing, dismantling, re-erecting, and re-testing.
- 11.3 **DESIGN WARRANTY:** If the Work includes any design or engineering, Contractor warrants to PG&E (the "Design Warranty") as follows:
- 11.3.1 **DESIGN STANDARDS:** The design and engineering of the Work shall be performed in accordance with the standard of care, skill and diligence normally practiced by nationally recognized engineering firms experienced in performing works of a similar nature in the United States at the time the Work is performed and otherwise in compliance with the standards of performance in this Contract.
- 11.3.2 **COMPLIANCE:** The completed Work shall comply in all respects with the requirements of this Contract.
- 11.3.3 **DOCUMENTATION:** The final as-built drawings and documentation shall be accurate and complete, comply in all material respects with the description in the Contract, and completely and accurately reflect, in all material respects, the condition of the Work as of final completion.
- 11.4 **BREACH OF DESIGN WARRANTY:** If a breach of the Design Warranty has occurred within Five years after the Work is placed in commercial operation (the "Design Warranty Period") and PG&E notifies Contractor in writing during the Design Warranty Period, or no later than 30 days after expiration of the Design Warranty Period, Contractor promptly shall investigate and determine the source of the deficiency or defect (including any inaccuracy or other deficiency in the final as-built drawings and documentation), promptly correct any defective design which resulted therefrom, promptly issue corrected final as-built drawings and documentation, and promptly replace all equipment and materials associated with the defective design and re perform all other Work necessary to cure the breach of the Design Warranty.
- 11.5 **REMEDIES:** Contractor shall promptly repair or replace, at Contractor's expense, other Work, equipment or property damaged as the result of the defects, or the repairing thereof, and without limitation to any other indemnification obligation under this Contract, shall indemnify and hold PG&E harmless from PG&E's repair expenses. The warranty period for a repair or replacement shall be five years from the date of acceptance by PG&E of the repair or replacement, but not less than the remaining original warranty period. Any guarantee or warranty provided by this provision is supplemental to, and does not in any way limit or restrict, any other guarantees or warranties provided in this Contract.
- 11.6 **PG&E's RIGHT TO PROCEED.** If PG&E notifies Contractor in writing of a breach of any warrant and within 10 days after such notification Contractor has not commenced re-performance, repair, replacement or other performance as required herein to the reasonable satisfaction of PG&E, then PG&E or its third party

contractor may undertake such re-performance, repair, replacement or other performance, and the costs shall be for the account of Contractor. PG&E's exercise of its rights under this provision shall not waive any rights or remedies PG&E may have under this Contract in law or equity nor diminish Contractor's obligations or liabilities under the Contract.

12. SAFETY PRECAUTIONS AND PROTECTION OF PROPERTY

- 12.1 **IMPORTANCE OF SAFETY:** Contractor recognizes and agrees that safety is of paramount importance in the performance of the Work and that Contractor is responsible for performing the Work in a safe manner. Contractor shall plan and conduct the Work, and shall require all Subcontractors to perform their portion of the Work, in accordance with Contractor's safety program and with all applicable local, state and federal rules, regulations, codes, and ordinances to safeguard persons and property from injury. Contractor further agrees to provide necessary training to its employees and Subcontractors to inform them of the foregoing safety and health rules and standards. Should PG&E at any time observe Contractor, or any of its Subcontractors, performing the Work in an unsafe manner, or in a manner that may, if continued, become unsafe, then PG&E shall have the right (but not the obligation) to require Contractor to stop the Work affected by the unsafe practice until Contractor has taken corrective action so that the Work performance has been rendered safe.
- 12.2 **HAZARDOUS MATERIALS AND HAZARDOUS WASTE**
- 12.2.1 **STORAGE:** Surplus Hazardous Materials and Hazardous Wastes are the property and responsibility of Contractor, and may not be stored or disposed of on or at the Work site. Contractor represents and warrants that any facility to which Hazardous Wastes may be moved is in compliance with any and all federal, state, and local laws, rules and regulations pertaining thereto and that the facility is suitable to receive and/or dispose of, and may lawfully receive and/or dispose of the Hazardous Wastes.
- 12.2.2 **DISCOVERY AND NOTICE TO PG&E:** If Contractor discovers Hazardous Waste or Hazardous Material on the job site during the performance of the Work, Contractor shall immediately take the following steps: (1) secure the area around the Hazardous Waste or Hazardous Material, and (2) notify PG&E.
- 12.3 **SAFETY PROGRAM:** Contractor shall have an ongoing safety training program for Contractor's personnel involved in the Work. Compensation for safety and first aid training shall be included in the Fees for the Work set forth in this Contract, and there shall be no separate compensation for Contractor's personnel to attend such training.
- 12.3.1 **WORK AND SAFETY PROGRAM:** Contractor will have a work and safety program and rules for the Work. Contractor shall enforce its work and safety requirements for all Work performed on the work site. Contractor will ensure that all Contractor personnel receive, read and sign a copy of the work and safety rules. Contractor shall retain proof of compliance for PG&E's inspection upon request. Contractor will designate a safety contact person for all matters concerning Contractor's work and safety programs.
- 12.3.2 **FIRST-AID FACILITIES:** If first-aid facilities are required, Contractor shall furnish, stock, and provide the necessary qualified personnel to maintain such first-aid facility at Contractor's expense unless other provisions are made and agreed upon with PG&E. Nothing contained in the Contract shall relieve Contractor from providing and maintaining all stretchers, blankets, first-aid material, and first-aid kits as required by applicable safety order of the State of California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) or as required by other federal, state or local laws, rules or regulations.
- 12.3.3 **STANDBY VEHICLES(S):** If one or more standby vehicles are required for the transporting of seriously injured personnel, Contractor shall furnish, maintain and operate such vehicle(s) at Contractor's expense unless other provisions are made and agreed upon with PG&E. If a standby vehicle is provided for transporting seriously injured project personnel to medical facilities, Contractor shall have available specifically assigned workers who are qualified to drive the vehicle and to care for the injured in case of emergency.
- 12.3.4 **SITE SAFETY PLAN:** When required by federal OSHA regulations (29 CFR 1910.120), by other legal requirements, or by PG&E, the Contractor shall provide a written site safety plan for acceptance by PG&E and the applicable regulatory agency(s) as required, prior to

commencement of Work. The site safety plan shall establish policies and procedures for protecting the health and safety of personnel during all operations conducted at a site with hazardous or suspected hazardous materials. The plan shall contain information about the known or suspected hazards, routine and special safety procedures that must be followed, and other instructions for safeguarding the health and safety of all affected personnel.

- 12.4 **SAFETY EQUIPMENT AND TRAINING:** Contractor shall provide its employees with applicable safety equipment and training. Contractor shall have available and if requested, submit to PG&E, a copy of a written respiratory protection program in accordance with Cal-OSHA GISO section 5144 and 29 CFR 1910.134. Contractor shall have available and if requested, submit to PG&E, a copy of other safety and hazardous waste and hazardous material training documentation. Contractor shall have the necessary respiratory equipment required to enter a "Category II" environment as defined in section 6.3 of API Pub 2015.
- 12.5 **WORK HOURS AND REST PERIODS:** Contractor's employees shall be in good physical and mental health when involved in the activities described in this Contract. If nature of Work requires continuous activities for greater than twenty four (24) hours, Contractor will ensure that fresh personnel are available to continue the Work. If Work is to continue for a period exceeding 24 hours, Contractor shall implement a plan for ensuring fresh personnel shall be available to do the Work, subject to approval by PG&E. Contractor shall comply with all federal and state laws and regulations and standard industry practices regarding work hours and rest periods for the type of Work involved.
- 12.6 **PG&E'S RIGHTS:** PG&E will have the right, from time to time, to undertake a safety performance audit of Contractor's Work, work practices, tools, equipment and materials. PG&E may, at any time and in its sole discretion, suspend all or a portion of the Work for safety-related reasons. Contractor will take immediate, appropriate corrective action. Notwithstanding any other provisions of the order, neither the suspension of the Work nor any corrective action taken will result in any increase in the contract price or extension of the schedule for the Work. PG&E's receipt of Contractor's emergency action plan, safety plan, environmental plan or any other safety and health related information does not imply that PG&E endorses the plan. Contractor is responsible for performing the Work in compliance with all applicable laws and legal requirements.
- 12.7 **CONTRACTOR RESPONSIBILITY:** Although PG&E may monitor Contractor's safety performance, may review safety performance with Contractor's safety contact person, or may suspend the Work for safety-related reasons, these actions are the primary purpose of protecting PG&E personnel and property. Contractor will remain responsible for the safe performance of the Work under this Contract. The provisions of this Article will be interpreted and construed in a manner consistent with Contractor's status as an independent contractor.

13. CHANGED CONDITIONS AND OTHER CLAIMS

- 13.1 **GENERAL:** If Contractor claims additional compensation or time due to PG&E's contract administration, interpretation or other action, Contractor shall submit a written statement to PG&E's authorized representative providing relevant costs in sufficient detail to justify and support the claim. The claim shall be filed as soon as possible. Costs incurred prior to the filing will not be considered. Contractor's failure to submit a statement within 30 days of the incident causing the claim shall constitute a waiver of the entire claim. Contractor shall specifically describe its claim and provide an estimate of labor, equipment and material costs to be incurred. A general statement of Contractor's intent to file a claim will not satisfy this requirement. In addition, Contractor shall provide, as the Work related to the claim proceeds, relevant cost and other data as requested or required to justify the claim.
- 13.2 **CHANGED CONDITIONS**
- 13.2.1 If Contractor encounters either of the following changed conditions, it shall notify PG&E in writing within Seventy Two (72) hours after encountering changed conditions, and before the conditions are disturbed. No claim will be allowed unless Contractor has given the required notice; however, the prescribed time limit may be extended in writing by PG&E.
- 13.2.1.1 Subsurface or hidden physical conditions at the worksite differ materially from those specified.

- 13.2.1.2 Unknown physical conditions at the worksite, of an unusual nature, differ materially from those ordinarily encountered and generally recognized as inherent in Work of the character provided for by this Specification.
- 13.2.1.3 PG&E will promptly investigate the conditions. An equitable adjustment will be made and a Change Order issued if PG&E finds that the conditions, as stated by Contractor, do differ materially from those specified and cause an increase or decrease in Contractor's costs of, or the time required for, performing the Work, whether or not the actual Work is changed as a result of the conditions.

13.3 WORK NOT COVERED

- 13.3.1 If PG&E requires Contractor to perform Work that is in Contractor's opinion not covered by prices under either the Contract or a Change Order and for which Contractor intends to make a claim, Contractor shall notify PG&E in writing prior to starting the Work, or its subsequent claim will not be considered.
- 13.3.2 If PG&E agrees with Contractor's claim, Contractor will be notified in writing and a Change Order will be issued to cover all or part of the claim.
- 13.3.3 If PG&E does not agree with Contractor's claim, Contractor will be notified in writing. Unless Contractor states in writing within 7 days that it will not accept PG&E's decision and that Contractor intends to make another claim, the subject will be considered closed and will not be reopened at a later date.

- 13.4 LATE CLAIMS: No claim by Contractor will be allowed if asserted after PG&E makes final payment.

14. DELAYS AND SUSPENSION OF WORK

- 14.1 SUSPENSION OF WORK: PG&E reserves the right to suspend the Work or delivery of materials.
- 14.2 DELIVERY OF MATERIALS: Delivery dates for material to be supplied by others, directly or through PG&E, are specified under the Schedule and are scheduled to allow Contractor sufficient time for installation.
- 14.3 NOTIFICATION: Contractor shall promptly notify PG&E in writing of any impending cause for delay. If possible, PG&E will assist Contractor in reducing the delay. Failure to promptly notify PG&E will constitute waiver by Contractor of concessions or benefits specified under this Article.
- 14.4 DELAYS WITHIN CONTRACTOR'S CONTROL: No additional compensation or other concessions will be allowed Contractor for expenses resulting from delays for which Contractor is responsible. If, in PG&E's opinion, the delay is sufficient to prevent Contractor's compliance with the specified Schedule, Contractor shall accelerate the Work by overtime or other means, at Contractor's expense, to assure completion on schedule.
- 14.5 DELAYS CAUSED BY ADVERSE WEATHER
 - 14.5.1 Contractor shall take into account the effects on the job of normal weather for the locality and time of year, in preparing its Proposal. Delays or Work stoppages due to adverse weather conditions, which can be considered normal for the area and time of year, will not be considered as delays beyond Contractor's control. No additional compensation or extension of schedule will be allowed Contractor for these delays.
 - 14.5.2 If Contractor can show that adverse weather was of greater duration or intensity than normally expected for the job area and time of year (referring to Weather Bureau rainfall data, etc.), the time over and beyond that expected as normal will be treated in accordance with Paragraph 15.6, "Delays Beyond Contractor's Control".
- 14.6 DELAYS BEYOND CONTRACTOR'S CONTROL: If there is a delay in delivery of material to be furnished by PG&E or a delay, in PG&E's opinion, caused by circumstances beyond Contractor's control, PG&E will investigate the causes and remedies and may require or authorize one of the following procedures. Contractor will be promptly notified as to which procedure will be followed.
 - 14.6.1 If, in PG&E's opinion, the current progress of the Work is satisfactory and the delay is less than 7 days, Contractor may be required to complete the Work in accordance with the specified Schedule, if possible without the use of additional premium or shift work, with no allowance for extra time or extra compensation.

- 14.6.2 If, in PG&E's opinion, the actual delay is 7 days or more and Contractor cannot comply with the specified Schedule, PG&E will require or authorize any of the following procedures:
- (a) Extension of the specified completion date with no extra compensation except as specified in Paragraph 15.6.3 immediately below for a period of time equal to the delay plus, in the event of strikes or other causes that make it necessary to close down the Work, an additional 2 days; or
 - (b) Use of overtime and/or shift work as necessary to meet the specified completion date. In this case, PG&E will reimburse Contractor for the premium portion only of overtime and any shift differential, with fee, if Contractor was not already working shifts. No other extra compensation including impact or premium time or shift inefficiencies will be allowed except as specified in Paragraph 14.6.4; or
 - (c) Any combination of Paragraphs 14.6.2 (a) or (b) deemed appropriate by PG&E.
- 14.6.3 If the completion date is extended pursuant to section 14.6.2 above, PG&E will reimburse Contractor for actual additional expense without fee for the following items:
- (a) Job overhead personnel including job superintendent, job engineer, office manager, payroll clerks, and other nonphysical workers.
 - (b) Equipment rental, including automotive, office trailers, etc., both bare and fueled and maintained for equipment required by personnel described in Paragraph 14.6.3(a).
 - (c) Equipment rental for other equipment that is necessary to be kept at the site at rates shown in current edition of the "Rental Rate Blue Book for Construction Equipment" (hereinafter "Rental Rate Blue Book").
 - (d) Miscellaneous office expenses, including telephone, electric power, and other utilities, office supplies, space rental, etc.
- 14.6.4 If overtime and or shifts are authorized pursuant to Section 14.6.2 above, PG&E will reimburse Contractor for the actual expense without fee for additional supervisory, engineering, or clerical expense actually required solely because of longer shifts, more days worked per week, or multiple shifts per day. No reimbursement will be made for inefficiencies or impact resulting from premium time and shift work.

15. INVOICES

- 15.1 GENERAL INFORMATION: Invoices submitted by Contractor to PG&E for payment must be in accordance with the service contract order and include the service contract order number.
- 15.2 PAYMENT TERMS: Unless otherwise specified herein, the payment terms for this Contract are 2% Dynamic Net 45. PG&E's payment terms are a dynamic sliding scale early payment discount. The 2% discount applies when PG&E pays the invoice within 15 days. The discount decreases proportionally each day thereafter until Day 45, the net due date, when zero discount applies. All timelines are calculated from the date a correct invoice is received and accepted by PG&E's Accounts Payable department in San Francisco.
- 15.2.1 The chart below illustrates the applicable dynamic discount. The dynamic discount applies to every day in the payment period, regardless of whether or not the payment date is included in the chart below. "Day 0" is the date the invoice has been submitted to and accepted by PG&E's Accounts Payable department.

<u>Payment Date</u>	<u>Discount</u>
0 - 15	2 %
30	1 %
45	0

- 15.3 INVOICE INSTRUCTIONS: Invoices shall be sent in accordance with the instructions as designated on the service contract order and include the service contract order number. All timelines for payment of invoices run from the date a correct invoice is received by PG&E's Accounts Payable Department. All invoices submitted to and accepted by PG&E's Accounts Payable department by 6:00 PM on a business day are considered received that same day.

- 15.3.1 **ELECTRONIC INVOICES:** Electronic invoices submitted through PG&E's electronic invoicing system and accepted by PG&E's Accounts Payable department after 6:00 PM may not be considered received until the next business day.
- 15.3.2 **PAPER INVOICES:** Paper invoices must be submitted to PG&E's Accounts Payable department at the following address:

PG&E Accounts Payable
PO Box 7760
San Francisco, CA 94120-7760

INVOICES SUBMITTED TO ANY OTHER OFFICE, LOCATION OR ADDRESS, INCLUDING A LOCAL PG&E OFFICE OR THE DEPARTMENT IN CHARGE OF THE WORK, ARE NOT CONSIDERED RECEIVED FOR PAYMENT PURPOSES. The discount and net due date timelines for invoice payment DO NOT BEGIN until the receiving location has forwarded a correct invoice to PG&E's Accounts Payable department and the invoice has been received and accepted.

16. METHOD OF PAYMENT

- 16.1 **COMPLETED WORK:** Contractor shall submit itemized invoices for completed Work accepted by PG&E, unless otherwise agreed.
- 16.2 **PROGRESS PAYMENTS:** If the Work requires more than six weeks to complete, Contractor shall submit monthly in quadruplicate for PG&E's acceptance a written contract progress estimate setting forth the quantities of Work satisfactorily performed to date and invoices covering the Contract price applicable to the Work unless otherwise directed. PG&E will pay Contractor as follows:
- 16.2.1 Ninety percent (90%) of the total amount of Work shown on the monthly contract progress estimate less actual accumulated amount previously paid. PG&E shall retain ten percent (10%) of the Contract price until the final acceptance of the Work; payment of the ten percent (10%) retention shall be in accordance with Paragraph 16.3, "Final Payments," below.
- (a) If requested in writing by PG&E, contract progress estimates will be in accordance with the PG&E supplied format.
- (b) **LIEN RELEASES:** If requested by PG&E, Contractor must furnish conditional lien releases with each progress payment for Contractor and all Subcontractors totaling the amount requested in the progress payment estimate and covering the same time period as the estimate.
- 16.3 **FINAL PAYMENTS:** As soon as practicable after satisfactory completion of all Work, Contractor shall submit a final invoice in quadruplicate to PG&E certifying to the completion of the Work and setting forth the total progress payments due Contractor less amount withheld and previous payments. Contractor shall also submit a second invoice in quadruplicate setting forth the balance of the Contract price, including the Ten percent (10%) retention amount. Invoices shall include any adjustment in labor or other costs if provision for adjustment is made in these General Conditions. PG&E will thereupon prepare certificates of payment for each. Within 45 days after PG&E's receipt and approval of invoices, PG&E will pay the amount due Contractor under the first described invoice. The amount due Contractor under the second described invoice is payable within 45 days after PG&E's final acceptance of Work and receipt of lien releases and subject to receipt from Contractor of information required under PG&E's insurance program.
- 16.3.1 **LIEN RELEASE UPON FINAL PAYMENT:** Before submitting a final invoice, Contractor must furnish lien releases for Contractor and Subcontractors covering all labor, materials, and equipment for which a lien could be filed.
- 16.4 **JOINT CHECKS:** Should PG&E deem it necessary, it may issue checks for both progress payments and final payments jointly to Contractor and Subcontractors or suppliers.
- 16.5 **SUPPLY CHAIN RESPONSIBILITY DISBURSEMENT RECORD:** With each invoice, Contractor shall submit an updated Prime Supplier Subcontracting Plan (**Exhibit 1-A**) with a current accounting of actual Subcontractor payments as of the date of the invoice.

- 16.6 UNIT-PRICE BASIS: When invoices include Work performed on unit-price basis, Contractor shall attach a list stating the unit price item numbers, unit prices, quantities, dollar amounts and other information as required to identify the Work.
- 16.7 COST-PLUS BASIS: If invoices include adjustments in labor, material costs or Work performed on a cost-plus basis, Contractor shall attach certified copies of payrolls and other data covering Work as required under the Articles titled "Cost-Plus Work", "Adjustment Due To Changes In Wage Rates", and "Adjustment Due To Changes In Material Costs".
- 16.8 CLAIMS AGAINST CONTRACTOR: Before Contractor is entitled to the final payment, Contractor shall, if requested by PG&E, furnish satisfactory evidence to PG&E that valid claims against Contractor or a Subcontractor have been paid.
- 16.9 WITHHOLDING FUNDS: PG&E may retain sufficient funds from payments due Contractor to repair or replace Work judged defective or incomplete by PG&E, to provide security for property damage liability, and to discharge liens.
- 16.10 FEDERAL COST PRINCIPLES AND PROCEDURES: Contractor agrees to comply with the Federal Cost Principles and Procedures as set forth in 48 Code of Federal Regulations (CFR), Chapter 1, Part 31 et seq., and 49 CFR, Part 18 or 19, as applicable to performance of the Work that is the subject of this Contract. If a subsequent audit determines payments to be unallowable, Contractor agrees to reimburse PG&E for the unallowable amounts within 10 days after receipt of PG&E's invoice.
- 16.11 CLAIMS AGAINST PG&E: By accepting final payment, Contractor waives claims not already filed against PG&E in accordance with the Contract requirements.
- 16.12 LIABILITY: Neither acceptance of the Work by PG&E nor payment for the Work shall relieve Contractor from liability under the indemnity or the guarantees contained in or implied by the Contract.
17. PREMIUM TIME
- 17.1 INCIDENTAL WORK: During the progress of the Work, Contractor may be required by PG&E to perform certain selected operations which will require Contractor to pay shift differentials or premium time beyond the normal workday or workweek. For this Work, Contractor will be reimbursed the direct premium cost of labor based upon established Contract rates or applicable union wage rates in effect, plus applicable taxes. No additional fee for overhead or profit will be allowed. Examples of this Work may include clearances, work to expedite certain features, work performed in assisting PG&E in conducting testing and "startup," and certain incidental overtime performed for PG&E's convenience.
- 17.2 CONTRACTOR'S CONVENIENCE: Should Contractor elect to perform any phase of the Work on a premium time basis in order to meet the Schedule or for Contractor's convenience, or if required by PG&E pursuant to the Article concerning "Delays Within Contractor's Control," Contractor may do so at no cost to PG&E.
- 17.3 PG&E'S CONVENIENCE: If, in order to meet certain conditions, PG&E places the Work on an accelerated workweek, Contractor will be reimbursed for the direct premium cost of labor based upon established Contract rates or applicable union wage rates in effect, plus applicable taxes and other additional costs to Contractor resulting from the accelerated workweek. No additional fee for overhead or profit will be allowed. No reimbursement will be made except as authorized by a Change Order.
18. ADDITIONAL WORK OR CHANGES IN WORK
- 18.1 CHANGE ORDERS: PG&E may require Contractor to perform additional work of a nature similar or related to the Work under the Contract or may require changes or reductions in the Work or in the provisions governing the Work. Additional work or changes shall be performed by Contractor only when authorized in writing. Authorization for payment will be by Change Order. No subsequent claim will be honored for intangible effects or time lost resulting from Work covered and paid for by Change Order. Pricing shown in the Change Order shall include indirect or intangible costs.
- 18.2 INCREASE IN WORK: Change Orders that require an increase in the Work will be priced, at PG&E's option, on one of the following bases: lump-sum, unit prices, or on a cost-plus basis.
- 18.3 DECREASE IN WORK: Change Orders that require a reduction in the Work shall entitle PG&E to a credit, at PG&E's option, of either an amount equal to Contractor's reduced costs as agreed upon between PG&E

and Contractor or an amount computed on the basis of Contract unit prices for the Work. If required by PG&E, Contractor shall submit a complete price breakdown of amounts and fees.

- 18.4 **WORK SUBCONTRACTED ON COST-PLUS BASIS:** Additional Work or changes authorized to be subcontracted on a cost-plus basis shall be performed in accordance with the provisions of Article 20, "Cost-Plus Work." Contractor shall negotiate Subcontracts directly, and a Subcontractor shall not subcontract its Work on a cost-plus basis.
- 18.5 **LUMP-SUM AND UNIT PRICE EXTRA WORK:** For additional Work or changes performed on a lump-sum, or agreed-price basis, Contractor shall submit for approval by PG&E, if required, a complete price breakdown of amounts and fees based on the actual, additional costs to be incurred. The breakdown shall conform to the cost breakdown and include the fees set forth in Paragraphs 19.1.1 through 19.1.8 and Paragraph 19.2 concerning "Cost-Plus Work," and the fees quoted in the Proposal. Extra Work performed on a unit price basis shall be computed on the basis of the Contract unit prices.

19. COST-PLUS WORK

- 19.1 **ITEMS INCLUDED:** For additional Work or changes authorized to be performed on a cost-plus basis, PG&E will reimburse Contractor for the cost of the following items to the extent additional costs are incurred to perform the additional Work or changes. Contractor agrees that the amount of Work performed under the terms of this Paragraph is not specified and no claim will be accepted because the Work is greater or less than anticipated.
- 19.1.1 Wages and salaries of Contractor's employees, including job foremen engaged directly in performing the Work. Such wages and salaries will include payroll taxes, vacation, holiday and sick leave allowances, and other fringe benefits Contractor is required to pay as a result of collective bargaining agreements between the construction industry and the labor unions involved but will exclude move-in or move-out expenses for employees if they are already on the project and will exclude the wages or expenses of a superintendent, representative in charge and field office personnel. No reimbursement will be allowed Contractor for any contributions made to an industry promotion or similar fund.
- 19.1.2 Materials and supplies consumed in the Work at actual cost, less trade and cash discounts, if shown on Contractor's receipt, adjusted for (i) sales or use taxes; (ii) transportation costs; and (iii) fair market value of materials and supplies salvaged and retained by Contractor. PG&E has the option to witness and sign for the receipt of materials and supplies.
- 19.1.3 Pro rata amounts of premiums for the insurance required in the "Insurance Requirements" section of these General Conditions, but only up to limits of \$3,000,000 for any one occurrence for Commercial General Liability Insurance. Premiums for other insurance shall not be separately reimbursable.
- 19.1.4 Incidental direct costs to Contractor arising directly from performance of the Work, provided such costs are approved in writing.
- 19.1.5 A fee equal to the percentage stated in Contractor's Proposal of the total of Paragraphs 19.1.1 through 19.1.4 immediately above to cover among other things profit, supervision of personnel, field office personnel, overhead, rental charges for use of tools and equipment valued at less than \$1,500 each and other general and indirect expenses.
- 19.1.6 Rental charges for use of Contractor's equipment valued at \$1,500 or more. Rates shall not exceed the rates set forth in the current edition of the Rental Rate Blue Book. For rates not included in the Rental Rate Blue Book, reimbursement shall be as established by PG&E.
- 19.1.7 For approved additional Work performed by a Subcontractor, Contractor will be paid the Subcontract amount (including Subcontractor's fee) plus a fee as shown below. In addition, Subcontractors shall understand that if they are permitted to subcontract Work, the fee payable for extra Work or changes subcontracted shall also be limited to the following amounts. This fee shall cover Contractor's profit and expenses incident to administration of the Subcontract. However, the fee shall not apply to rental of equipment from subsidiaries of Contractor, from its partners or co-adventurers, or from their subsidiaries.
- (a) For approved additional Work which requires Contractor to enter into a new contract with a subcontractor not currently under contract to Contractor on this project, a lump sum of

One Hundred dollars (\$100) plus Five percent (5%) of the amount of any such Subcontract.

- (b) For approved additional Work which can be performed by a Subcontractor currently under contract with Contractor on this project, Five percent (5%) of the amount of any additional Work performed by the current Subcontractor.

19.1.8 Repair and replacement of any portion of the cost-plus Work destroyed or damaged due to causes beyond Contractor's control, including materials and cost-plus equipment delivered to the worksite for installation that are not covered by insurance.

19.2 SUBCONTRACTOR'S AND FABRICATOR'S FEES: If Contractor requests authorization to have a Subcontractor or fabricator perform Work on a cost-plus basis, Contractor shall state in the request the Subcontractor's or fabricator's fee applicable to Paragraphs 19.1.1 through 19.1.4. This fee, if not listed in the Proposal, shall not exceed the fee quoted by Contractor in Paragraph 19.1.5. Work authorized to be performed by a Subcontractor or a fabricator shall be in accordance with the requirements of Article 19 concerning "Cost Plus Work." Contractor shall audit and substantiate the data submitted by Subcontractor or fabricator. PG&E shall have the option of auditing Subcontractor's or fabricator's cost-plus records.

19.3 ITEMS EXCLUDED: Compensation to Contractor under the preceding cost-plus items shall not include the following:

19.3.1 Amount of a penalty, judgment, settlement, or other expense paid or incurred by Contractor as a result of Contractor's actual or alleged violation of a contract, law, rule, or regulation, except to the extent that the penalty, judgment, settlement, or other expense represents wages or taxes otherwise reimbursable.

19.3.2 Amounts paid by Contractor for repair or replacement of defective Work or costs of material wasted due to careless workmanship, or costs of work performed which, in PG&E's opinion, is not necessary for the performance of the authorized Work.

19.4 INVOICE SUPPORT

19.4.1 A Daily Statement of Labor, Material, and Equipment Sheet ("LM&E Sheet"), attached hereto and incorporated herein as **Exhibit LME**, must be completed for all Work performed on a cost plus basis. Contractor may use its own form in place of the PG&E LM&E Sheet as long as it contains all the same information as is to be reported on PG&E's LM&E Sheet and the information clearly matches the categories of information found on PG&E's LM&E Sheet. Contractor's representative shall prepare the LM&E Sheet daily, providing sufficient detail of Work performed, including labor employed by Contractor and others performing Work, materials drawn from Contractor's stock, use of Contractor's equipment and rental of equipment from others by Contractor. PG&E shall approve the LM&E Sheet daily and retain a copy of the approved LM&E Sheet for comparison to Contractor's actual billing. PG&E shall have the right to inspect and sign the delivery or shipping documents for all tools, equipment, and materials charged to or credited out of cost-plus Work as they are received or removed.

19.4.2 Contractor's invoice support shall include a copy of the PG&E approved LM&E Sheet, receipted bills for materials, subcontracted Work and rented tools and equipment. When requested by PG&E, Contractor shall submit certified copies of payrolls covering labor employed by Contractor and others performing Work. Satisfactory evidence shall also be submitted to verify materials drawn from Contractor's stock, use of Contractor's equipment and other miscellaneous items of cost not otherwise verified. PG&E shall have the option of auditing the Contractor's records for cost-plus Work.

19.5 EQUIPMENT RENTAL

19.5.1 Contractor will be paid for the use of equipment at a rate not to exceed the equipment rental rate set forth in the Rental Rate Blue Book, which is in effect on the date the Work is performed. These rates shall apply regardless of ownership and any rental or other agreement, if such may exist, which has been entered into by the Contractor for the use of said equipment. If it is deemed necessary by PG&E to use equipment not listed in said publication, a suitable rental rate for such equipment will be established by PG&E. Contractor may furnish cost data which might assist PG&E in establishing the rental rate.

- 19.5.2 Rental rates shall include the cost of fuel, oil, lubrication, supplies, small tools (less than \$1,500 in value), repairs and maintenance of any kind, depreciation, storage, insurance, and all incidentals.
- 19.5.3 Equipment shall, in the opinion of the PG&E, be in good working condition and suitable for the purpose for which the equipment is to be used. Unsuitable equipment shall be made suitable to the satisfaction of PG&E, at no expense to PG&E, or removed from the worksite.
- 19.5.4 Manufacturer's ratings and manufacturer approved modifications shall be used to classify equipment for the determination of applicable rental rates, unless otherwise specified. Equipment which has no direct power unit shall be powered by a unit of at least the minimum rating recommended by the manufacturer.
- 19.5.5 Individual pieces of equipment or tools having a replacement value of \$1,500 or less shall be considered to be small tools and no payment will be made for them by PG&E.
- 19.5.6 Rental time will not be reimbursed by PG&E while equipment is inoperative due to breakdowns or malfunctions.
- 19.5.7 Equipment available at the worksite and used for cost-plus Work will be paid for on an hourly rate based upon the actual hours used, including overtime, at the rates set forth in the equipment pricing schedule, not to exceed those specified in the Rental Rate Blue Book.
- 19.5.8 If PG&E requests in writing that Contractor hold certain equipment at the worksite for cost-plus Work, compensation for standby time will be 50% of the rental rate listed for such equipment in the current edition of the Rental Rate Blue Book.
- 19.5.9 If PG&E requests Contractor to furnish special equipment not on hand at the worksite for use on cost-plus Work, PG&E will compensate Contractor for the cost of moving the equipment on and off the worksite. Compensation for rental of such equipment will be in accordance with Paragraph 20.5.8 (standby time) immediately above. No other fees shall be applied to the equipment rental rates whatsoever.
- 19.5.10 A 10% fee may be applied to the equipment rental rates. This fee shall not apply to equipment rental rates established by PG&E or as established by Paragraph 19.5.8 (standby time) above. No other fees shall be applied to the equipment rental rates whatsoever.
- 19.5.11 Operators of rented equipment will be paid in accordance with Paragraph 19.1, concerning items included in cost-plus work.

19.6 COST SEGREGATION: Charges made under this Article shall be segregated to PG&E cost accounts in accordance with procedures and details as required.

20. ADJUSTMENT DUE TO CHANGES IN WAGE RATES

- 20.1 REIMBURSEMENTS: Except as otherwise specified below in Paragraph 20.2, "Application", PG&E will reimburse Contractor for its added labor cost resulting from an increase in wage rates that may occur during the Contract period as a result of negotiations between the construction industry and the unions involved. Authorized reimbursement will be to the extent of 75% of increases, including 75% of the corresponding added cost of both the insurance required in the Contract and taxes applicable to wages, provided that the following conditions are met:
 - 20.1.1 Contractor furnishes, as soon as possible after award of Contract, a statement of wage rates to be used as a base point for computing increases. Such statement shall set forth wage rates, segregated by crafts, together with working conditions for each craft. Wage rates submitted shall be those in effect as of the bid-call date and shall cover labor to be employed for the Work.
 - 20.1.2 Contractor notifies PG&E at least 10 days prior to the date, or as soon as Contractor is notified, that an increase in wage rates becomes effective and states the amount of the contemplated increases in each wage rate and the approximate number of Contractor's employees who will be affected in each wage classification.
 - 20.1.3 Contractor obtains written approval for the proposed increases.
- 20.2 APPLICATION: Reimbursement will apply only to field labor employed directly by Contractor and engaged directly and exclusively in the performance of the Work at the worksite and will not apply to Contractor's

office or clerical personnel, superintendents or other supervisory personnel other than job foreman, nor to Subcontractors' employees. Contractor will be allowed an amount equal to 10% of the amount otherwise paid under this Paragraph to cover escalation for its field office or clerical personnel, superintendents and other supervisory personnel. Contractor will not be reimbursed for increases in wage rates that were negotiated prior to the bid-call-date and that provide for future automatic wage increases of known amounts nor any portion of the wages paid as a bonus. In computing authorized reimbursement, wage rates used shall include subsistence, travel time payments, health, welfare, vacation, pension fund payments, and other "fringe" benefits that Contractor is required to pay by union agreement.

- 20.3 CREDITS: In the event that negotiations between the construction industry and the unions involved result in a decrease in wages rates, Contractor shall credit PG&E in payments due Contractor to the extent of 75% of the total savings resulting from decreases, computed on the basis specified.
- 20.4 PAYROLL RECORDS: Adjustments of the Contract price for changes in wage rates shall be computed from Contractor's labor payrolls, and Contractor shall furnish PG&E copies of payrolls for this purpose when so requested.
- 20.5 INVOICES: Invoices covering adjustments due to changes in wage rates for Work performed in any one month shall be presented within 60 days after the end of that month or such invoices may not be accepted for payment.
- 20.6 NO FEE: Amounts payable under this Article shall be actual costs without fee for Contractor's home office overhead or profit.

21. ADJUSTMENT DUE TO CHANGES IN MATERIAL COSTS

- 21.1 REIMBURSEMENTS: PG&E will reimburse Contractor for increases in costs of the material listed in the Specification that may occur during the term of the Contract. Authorized reimbursement will be to the extent of 85% of increases in costs of such materials, including applicable taxes, provided the following conditions are met:
 - 21.1.1 Contractor furnishes, with its Proposal, a statement of material costs to be used as a base point for computing increases, which include purchase price of materials f.o.b. worksite or other specified location, and the names and addresses of the suppliers.
 - 21.1.2 Base prices and increases shall be subject to confirmation by PG&E prior to approval by PG&E.
 - 21.1.3 Contractor notifies PG&E at least Ten (10) days prior to the date, or as soon as Contractor is notified, that an increase in material costs is to become effective, and states the amount of the contemplated increases and the effective date.
 - 21.1.4 Contractor obtains written approval from PG&E for the proposed increases.
- 21.2 ALTERNATIVE SUPPLIER: PG&E shall have the option to arrange with a different supplier to furnish acceptable material to Contractor at lower overall cost providing conditions of delivery, service, etc., are acceptable to Contractor.
- 21.3 BASIS FOR ADJUSTMENT: Adjustments in material costs shall be computed from Contractor's actual net costs including discounts. Contractor shall furnish PG&E copies of all paid invoices along with Contractor's computations and requests for reimbursement.
- 21.4 CREDITS: If there is a decrease in the cost of material listed in the Specification, Contractor shall credit PG&E in payments due Contractor to the extent of 85% of the total savings resulting from decreases, computed on the basis specified in Paragraph 21.3, concerning the basis for adjustment of changes in material costs.
- 21.5 INVOICES: Invoices covering adjustments due to changes in material costs for material purchased in any one month pay period shall be presented within 60 days after the end of that pay period or such invoices may not be accepted for payment.
- 21.6 NO FEE: Amounts payable or credited under this Article shall be actual costs without fee.

22. PERSONNEL REQUIREMENTS AND CONTRACTOR'S LABOR RELATIONS

22.1 PERSONNEL REQUIREMENTS

- 22.1.1 **EMPLOYEE REPLACEMENT:** Contractor shall employ personnel qualified to perform the Work. If PG&E finds Contractor's employee to be unsatisfactory, Contractor shall replace that employee within 24 hours of notification. For the avoidance of doubt, this provision addresses only the assignment of personnel to PG&E jobs; it does not require the Contractor to terminate the employment of any employee replaced hereunder, nor does PG&E endorse or approve, either expressly or impliedly, Contractor's termination of any such employee.
- 22.1.2 **LANGUAGE:** To ensure that the Work is performed safely, efficiently and in accordance with all applicable legal and regulatory requirements, Contractor's on-site supervisors must be able to read, understand and communicate work directives and work-related information in the English language.
- 22.1.3 **EMPLOYEE DATA:** If requested, the Contractor shall furnish PG&E the following information on each employee after award of Contract and prior to starting Work: full name, address, date of birth, employee number, and PG&E work location.
- 22.1.4 **NEW EMPLOYEES:** If required by PG&E, Contractor shall advise PG&E of temporary or permanent changes in personnel and shall provide the information required under the Employee Data paragraph above for such additional employees.
- 22.1.5 **EMPLOYEE IDENTIFICATION:** If required by PG&E, Contractor's and Subcontractor's personnel while on the premises shall wear a photo identification badge with photo and name clearly visible. Badges are to be furnished by and at Contractor's expense.
- 22.1.6 **SIGN-IN:** If required by PG&E, upon entering or leaving PG&E's Work site, Contractor, its employees and Subcontractors shall sign a log, provided by PG&E.
- 22.1.7 **REPORTING:** In accordance with Section 7912 of the California Public Utilities Code, Contractor agrees to report annually to PG&E the number of California residents employed by Contractor, calculated on a full-time or full-time equivalent basis, who are personally providing services to PG&E.

22.2 CONTRACTOR PERFORMING IBEW REPRESENTED WORK:

- 22.2.1 The provisions of this section shall apply if Contractor is assigned Work that is normally performed by PG&E employees represented by the International Brotherhood of Electrical Workers (IBEW), Local 1245.
- 22.2.2 If PG&E identifies any Work hereunder as construction work normally and historically performed by IBEW-represented PG&E employees in one of the following departments, then such construction Work must only be performed by a contractor who is signatory to an agreement with IBEW Local 1245 that covers the identified Work: Electric Transmission and Distribution (T&D), Gas T&D, or Substation Departments (collectively, the "Identified Departments"). Contractor shall not subcontract such construction Work to a non-signatory contractor or to a contractor who is signatory to a union other than IBEW Local 1245, unless Contractor has requested and received the prior written approval of PG&E, which approval may be contingent upon, among other things, receipt of any necessary third party approvals.
- 22.2.3 The provisions of section 23.2.2 above do not apply to (i) maintenance work normally and historically performed by IBEW-represented PG&E employees in the Identified Departments or (ii) construction and maintenance work normally performed by IBEW-represented PG&E employees in all other PG&E departments (collectively, "Other Work"). For work PG&E identifies as Other Work not subject to the requirements of section 23.2.2 above, Contractor shall pay its personnel wages which meet or exceed Prevailing Wages. For purposes of this paragraph, Prevailing Wages shall be as defined by California Labor Code Part 7, Chapter 1, Article 2, Section 1770, 1773, and 1773.1.
- 22.2.4 At PG&E's request, Contractor shall provide PG&E a certified copy of its payroll, including benefits, broken out by PG&E department for all Work that is subject to this Section.
- 22.2.5 All requirements of this Section shall extend to Subcontractors.

22.2.6 If the provisions of this Section conflict with the requirements of other sections of these General and Specific Conditions, this Section shall prevail.

22.3 CONTRACTOR'S LABOR RELATIONS

22.3.1 GENERAL: Contractor shall promptly notify PG&E in writing of any labor dispute or anticipated labor dispute which may affect the time, performance or cost of the Work.

22.3.2 LOCAL BARGAINING: In addition to Contractor's legal obligations under the Labor-Management Relations Act (LMRA), if Contractor is a subscriber to a multi-employer bargaining association or group, Contractor shall, if PG&E directs, participate to the fullest extent in the collective bargaining of that group with any labor organizations claiming jurisdiction over any portion of the Work.

22.3.3 INTERIM AGREEMENTS: Contractor shall not make interim agreements with labor unions during contract bargaining designed to avoid strikes sanctioned by an international union or by a local building trades council or engage in other activities which might undermine management efforts at the bargaining table.

22.3.4 STRIKE: In the event of a labor dispute or strike by Contractor's or its Subcontractor's employees which threatens the progress or cost of the Work or PG&E's labor relations, or which disrupts PG&E's operations, or results in a secondary boycott at PG&E facilities, PG&E reserves the right to restrict additional hiring of Contractor's employees, to suspend or discontinue the Work of Contractor and any Subcontractor, or terminate the Contract. This Paragraph shall be applicable whether or not Contractor or any Subcontractor is directly involved in a labor dispute.

22.3.5 EXISTING UNION CONTRACTS: Contractor shall not make labor agreements with any local construction trade union affecting the performance of the Work or its cost to PG&E, independent of or in conflict with agreements in effect between the local contractors' association and the union, without first obtaining written approval from PG&E.

22.3.6 NATIONAL AGREEMENTS: Contractor shall, within 15 days after award of Contract, supply PG&E with copies of national agreements to which Contractor is a party. No later than Five (5) days before the expiration of any local agreement which may affect the Work, Contractor shall meet with PG&E for the purpose of discussing the appropriate course of action.

22.3.7 JURISDICTIONAL DISPUTES: Contractor and/or Subcontractor shall take steps to resolve violations of collective bargaining agreements and jurisdictional disputes, including without limitation the filing of appropriate process with any court or administrative agency having jurisdiction to settle, enjoin or to award damages resulting from violations of collective bargaining agreements or from jurisdictional disputes.

22.3.8 LABOR SUPPLY: Contractor shall provide a sufficient number of skilled workers to fulfill the requirements of the Specification from whatever sources available, including nonunion sources.

22.3.9 APPRENTICES: It is important to PG&E that the Work be performed in the most economical manner consistent with the Specification requirements. It is also in PG&E's best interest to have an adequate number of trained workers within its service area to perform construction work that may be required.

- (a) The following is applicable to union Contractors only: Contractor shall actively participate in union apprentice programs and exert its best effort to maintain the maximum complement of apprentices in the field work force as permitted by the local collective bargaining agreements. Contractor shall employ during the performance of this Contract the number of apprentices or trainees, or both, in each occupation, called for by each applicable labor agreement; shall take whatever steps may be necessary to assure that Twenty-Five percent (25%) of the apprentices or trainees in each occupation are in their first year of training; and shall agree to maintain and make available for inspection, upon PG&E's request, Contractor's records on employment of apprentices, trainees, and journeymen, in each occupation.

22.3.10 USE OF PREFABRICATED MATERIAL: Contractor shall install prefabricated or preassembled equipment where specified or purchased by PG&E, or otherwise where it is deemed to be the

most economical alternative whether or not fabricated in a union shop and without necessary change or rework.

23. CONFIDENTIALITY AND DATA SECURITY

- 23.1 **CONFIDENTIALITY:** In the course of performing the Work, Contractor may have access to confidential commercial or personal information concerning, but not limited to, California residents; PG&E employees and operations, technological, ratemaking, legislative and personnel matters and practices; and reports, plans, strategies, analyses, specifications, operational data, records, software, data, computer models, and related documentation of PG&E, its parent company, subsidiaries, affiliates, or third parties. Contractor agrees to use such confidential information strictly for the Work under this Contract, to restrict access to confidential information to those of its personnel with a need to know the information in order to perform the Work, and not to disclose any such confidential information or otherwise make it available to any other person or entity, including but not limited to any affiliate of PG&E that produces energy or energy-related products or services, without the prior written approval of PG&E. Contractor shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information but in no case less than reasonable measures, to protect any personal or confidential information from unauthorized access, destruction, use, modification, or disclosure.
- 23.2 **NO CUSTOMER DATA:** Contractor warrants that it is not receiving and will not accept any PG&E Customer Data under this Contract. As used in the preceding sentence, "**Customer Data**" means, collectively, any and all data and information of or concerning any identified or identifiable PG&E retail or business customer or PG&E employee, including, but not limited to, name, home address and home telephone number; device IDs; e-mail addresses; billing information; electric and gas energy usage, electric service (including, without limitation, service account number, electricity demand (in kilowatts), monthly billed revenue, credit history, rate schedule(s), or number or type of meters at a location).
- 23.3 **SECURITY:** Contractor hereby represents, warrants, and covenants to PG&E that the Work, including any hardware, software, firmware, equipment and other deliverables, does not and will not contain or make available any Malicious Code. Without limiting any of PG&E's rights and remedies with respect thereto (all of which are expressly reserved), if Contractor detects or is made aware of Malicious Code in the Work, Contractor shall notify PG&E immediately, remove such Malicious Code, remediate the effects of such Malicious Code, and restore any lost or corrupt data if applicable.
- 23.4 **CYBER PROTECTION FOR PROGRAMMABLE DEVICES:** The following requirements apply to any deliverables under this Contract containing software, firmware, microcode or other programmable features. These requirements apply on a continuing basis for the longer of five years and the expected service life of the deliverables as disclosed by Contractor in its product descriptions (the "**Service Life**"):
- 23.4.1 **MALICIOUS CODE:** Contractor hereby represents, warrants, and covenants to PG&E that upon delivery to PG&E the deliverables will not contain or make available any Malicious Code. Without limiting any of PG&E's rights and remedies with respect thereto (all of which are expressly reserved), if Contractor detects or is made aware of Malicious Code in the deliverables during the Service Life, Contractor shall immediately notify PG&E. If the deliverables are not yet in use by PG&E, Contractor shall remove such Malicious Code, remediate its effects and certify to PG&E that the Malicious Code has been removed. If the deliverables are in use by PG&E, Contractor shall assist PG&E to remove the Malicious Code in accordance with the Section below titled "Security Updates and Support."
- 23.4.2 **CYBERSECURITY SPECIFICATIONS:** Contractor hereby represents, warrants, and covenants that the deliverables comply with the cybersecurity features and functions, if any, described in the associated specifications.
- 23.4.3 **SECURITY VULNERABILITIES AND TESTS:** Contractor acknowledges that the deliverables may be subject to security testing by PG&E or its security testing consultants before the deliverables are accepted by PG&E as well as subsequently, at any time during their Service Life. If the deliverables are integrated with products supplied by third parties, the third party suppliers may also be involved in the testing process. Contractor shall fully cooperate in the conduct of such tests. If requested by PG&E, such cooperation shall include the following: (i) providing source code and other program documentation (which PG&E shall use solely for testing purposes), and (ii) providing a representative with suitable technical expertise to participate in the tests. The conduct and results of the tests, including any security vulnerabilities

that are identified in the course of the tests, shall be PG&E Confidential Information. Any security vulnerabilities that are identified in such tests shall be resolved in accordance with the following Section, concerning Security Updates and Support.

- 23.4.4 SECURITY UPDATES AND SUPPORT: Contractor shall maintain a technical support line with access to PG&E so that any security-related issues can be addressed promptly. Contractor shall notify PG&E without delay if Contractor detects or is made aware of any Malicious Code or security vulnerability in the deliverables during their Service Life. If Malicious Code or security vulnerability is identified during the Service Life, Contractor shall provide an update or revision to the deliverables to remove the Malicious Code and/or cure the vulnerability (a "Security Patch") as soon as possible and at no charge to PG&E. Contractor shall assist PG&E to implement the Security Patch if requested by PG&E and shall reimburse PG&E for the cost of implementing the Security Patch.

24. INDEMNIFICATION, WITHHOLDING AND LIMITATION OF LIABILITY

24.1 INDEMNIFICATION

- 24.1.1 Contractor shall indemnify, hold harmless and defend PG&E, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, from and against all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise), which arise from or are in any way connected with any: (i) injury to or death of persons, including but not limited to employees of PG&E or Contractor; (ii) injury to property or other interests of PG&E, Contractor, or any third party; (iii) violation of a local, state, or federal common law, statute or regulation, including but not limited to environmental laws or regulations; (iv) strict liability imposed by any law or regulation; (v) delay or failure to pay any Subcontractor, including but not limited to any demands for payment, invoices, or liens; (vi) delay or failure to pay any employees, laborers, or other personnel of Contractor or any Subcontractor the compensation, monies, wages, benefits or other payment due or allegedly due; so long as such injury, violation, strict liability, or payment (as set forth in (i) - (vi) above) arises from or is in any way connected with Contractor's performance of, or failure to perform, this Contract, however caused, regardless of any strict liability or negligence of PG&E, whether active or passive, excepting only such loss, damage, cost, expense, liability, payment, strict liability, or violation of law or regulation for which indemnity is not allowed under applicable law.
- 24.1.2 Contractor acknowledges that any claims, demands, losses, damages, costs, expenses, and liability that arise from or are in any way connected with the release or spill of any legally designated hazardous material or waste and arise from or are in any way connected with the Work performed under this Contract, are expressly within the scope of this indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such releases or spills are expressly within the scope of this indemnity.
- 24.1.3 Contractor shall, on PG&E's request, defend any action, claim, or suit asserting a claim which might be covered by this indemnity, using counsel selected by or acceptable to PG&E in its sole discretion. Contractor shall pay all costs and expenses that may be incurred by PG&E in enforcing this indemnity, including reasonable attorney's fees.

- 24.2 INFRINGEMENT PROTECTION: Contractor represents to PG&E that the Work to be performed, and the materials prepared or used, under this Contract will not infringe upon the copyright, patent or license, or otherwise violate the proprietary rights, including trade secret rights, of any person or entity. Contractor agrees to indemnify and hold PG&E, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees, harmless from any suit, demand or claim alleging any such infringement or violation. In addition to the foregoing, if there is such a claim, Contractor agrees at PG&E's option to either procure for PG&E the right to continue using the material, replace the material with non-infringing material or modify it so it becomes non-infringing, or remove the item and refund the applicable portion of the Contract price; provided, however, that the replaced or modified material shall be equal to that contracted for hereunder and satisfactory to PG&E. Contractor further agrees to pay any judgment or reasonable settlement offer resulting from a suit, demand or claim, and pay any reasonable attorney's fees incurred by PG&E in defense against such suit.

- 24.3 **TAX WITHHOLDING:** Contractor represents and warrants that it will withhold all taxes, if any, which are required to be withheld under applicable law with respect to payments to persons hired by Contractor who perform services for PG&E. Contractor shall indemnify and hold PG&E harmless, on an after-tax basis, for any liability incurred by PG&E as a result of Contractor's failure to institute any such required withholding.
- 24.4 **WITHHOLDING:** PG&E may withhold from the final payment due Contractor hereunder such amounts as, in PG&E's opinion, are sufficient to provide security against all loss, damage, expense, and liability covered by the foregoing indemnity provision for damage to property.
- 24.5 **LIMITATION OF LIABILITY:** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PG&E SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES, WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, EVEN IF SUCH DAMAGES ARE FORESEEABLE, AND REGARDLESS OF WHETHER OR NOT PG&E HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR UNRECOVERED OVERHEAD AND, UNLESS EXPRESSLY AUTHORIZED IN ADVANCE IN WRITING AND SPECIFICALLY ASSUMED BY PG&E, COMMITMENTS TO THIRD PARTIES, SUCH AS SUBCONTRACTS, RENTAL OR LEASE AGREEMENT(S), AND PERSONAL SERVICES CONTRACTS.

25. INSURANCE REQUIREMENTS

- 25.1 Contractor shall maintain the following insurance coverage and be responsible for its Subcontractors maintaining sufficient limits of the appropriate insurance coverage.
- 25.1.1 **WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY**
- (i) Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where Contractor performs Work.
 - (ii) Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.
- 25.1.2 **COMMERCIAL GENERAL LIABILITY**
- (i) Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
 - (ii) The limit shall not be less than \$3,000,000 each occurrence for bodily injury, property damage and personal injury.
 - (iii) Coverage shall: a) by "Additional Insured" endorsement add as insureds PG&E, its affiliates, subsidiaries, parent company, directors, officers, agents and employees, with respect to liability arising out of or connected with the Work performed by or for the Contractor. (ISO Form CG2010 or equivalent is preferred.) In the event the Commercial General Liability policy includes a "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's additional insured requirement: "PG&E, its affiliates, subsidiaries, parent company, directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Contractor are additional insureds under a blanket endorsement."; b) be endorsed to specify that the Contractor's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.
- 25.1.3 **BUSINESS AUTO**
- (i) Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
 - (ii) The limit shall not be less than \$1,000,000 each accident for bodily injury and property damage.
- 25.1.4 **BUILDER'S RISK INSURANCE**
- (i) An "all risk" Builders Risk insurance policy including earthquake and flood shall be maintained during the course of construction. Policy shall include coverage for materials and equipment to be used while at the site, offsite or while in transit to the site.

(ii) Coverage shall be written to cover the full replacement cost of the property. Limits and deductibles shall be approved by PG&E.

(iii) PG&E shall be named as Loss Payee.

25.1.5 PROFESSIONAL LIABILITY INSURANCE

(i) Errors and Omissions Liability insurance appropriate to the Contractor's profession. Coverage shall be for a professional error, act or omission arising out of the scope of services shown in the Contract.

(ii) The limit shall not be less than \$1,000,000 each claim/\$2,000,000 aggregate.

25.1.6 CYBER SECURITY AND PRIVACY LIABILITY INSURANCE

(i) Contractor shall obtain and maintain cyber risks insurance providing coverage for at least the following perils and losses: (a) unauthorized use of or access to a computer system containing or giving access to PG&E confidential information; (b) defense of any regulatory action involving a breach of privacy in connection with PG&E confidential information; (c) failure to protect PG&E confidential information from disclosure; and (d) costs of notifying affected individuals and providing credit monitoring for up to one year, whether or not required by applicable law.

(ii) The policy(s) shall have limits of liability of at least \$5,000,000 per occurrence and \$10,000,000 in the aggregate. If any deductible is applicable, such deductible shall not exceed \$100,000, unless such increased deductible or retention is approved in advance by PG&E in writing.

(iii) PG&E, its affiliates, subsidiaries and parent company, and PG&E's directors, officers, agents and employees shall be named as additional insureds under this policy. If the policy includes a "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's additional insured requirement: "PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Contractor are additional insureds under a blanket endorsement."

25.2 DOCUMENTATION REQUIREMENTS

25.2.1 Contractor shall have all insurance in place before beginning any Work. Upon request, Contractor shall furnish PG&E with certificates of insurance, declaration pages and endorsements (collectively, "Documentation") of all required insurance. Documentation shall be signed and submitted by a person authorized by that insurer to issue certificates of insurance and endorsements on its behalf.

25.2.2 The insurer shall deliver notification to PG&E in accordance with the policy provisions if any of the above-described policies are cancelled before the stated expiration date.

25.2.3 PG&E may inspect the original policies or require complete certified copies at any time.

25.2.4 The minimum liability insurance requirements established in this Contract are not a representation by PG&E that the insurance limits are sufficient, nor do these requirements in any way limit Contractor's liability under this Contract.

25.2.5 Upon request, Contractor shall furnish PG&E the same evidence of insurance for its Subcontractors as PG&E requires of Contractor.

26. CANCELLATION AND TERMINATION OF CONTRACT'

26.1 CANCELLATION FOR CAUSE

26.1.1 PG&E may, at its option, cancel or suspend, in whole or in part, this Contract or any one or more CWAs for cause, including but not limited to the following situations: (a) the failure, refusal or inability of Contractor to perform the Work in accordance with this Contract for any reason (except as specified in the section titled "Force Majeure"), following notice and an opportunity to cure and Contractor has failed to do so; provided, however, that safety or security violations may result in immediate cancellation; (b) Contractor has become insolvent, has failed to pay its bills,

or has had checks for payment of its bills returned from suppliers and Subcontractors due to insufficient funds; (c) a legal action is placed against Contractor which, in PG&E's opinion, may interfere with the performance of the Work; or (d) in PG&E's opinion, the Work will not be completed in the specified time, PG&E has requested Contractor take action to accomplish the required progress and completion, and Contractor has failed to do so. PG&E will be the sole judge whether Contractor is substantially performing Work in accordance with this Contract.

- 26.1.2 If the Contract is cancelled for cause: (i) PG&E shall pay Contractor for services satisfactorily performed prior to the date of cancellation which are of benefit to PG&E, and (ii) Contractor shall be liable for additional costs to PG&E arising from cancellation. Contractor shall vacate PG&E's worksite but shall not remove material, plant, or equipment without the approval of PG&E. In addition to other remedies, PG&E may, at its option and without prejudice to its other rights, take over and complete all or part of the Work using Contractor's equipment and facilities at the PG&E worksite.
- 26.1.3 If a labor dispute or strike by Contractor's or its Subcontractors' employees threatens the progress or cost of Work, or PG&E's labor relations, or disrupts PG&E's operations, or results in a secondary boycott at PG&E's facilities, PG&E reserves the right to restrict the additional hiring of Contractor's employees, to suspend or discontinue the Work of the Contractor or any Subcontractor, or cancel the Contract for cause. This paragraph shall be applicable regardless of whether or not Contractor or any Subcontractor is directly involved in a labor dispute.

26.2 **SUSPENSION OR TERMINATION FOR PG&E'S REASONS:** PG&E may suspend or terminate, in whole or in part, the Contract or any one or more CWAs, without cause upon written notice to Contractor. Contractor shall mitigate its damages so as to minimize its claim, if any, against PG&E. If the Contract is terminated for PG&E's reasons, PG&E shall be liable to Contractor only for the compensation earned on the Work satisfactorily performed to the date of termination, plus costs reasonably incurred by Contractor in terminating its operation.

26.3 **CWA TERM AND TERMINATION:** The cancellation, suspension and termination provisions in this Section shall apply to individual CWAs. If PG&E cancels, suspends or terminates the Work under a particular CWA, or if a particular CWA expires, the remainder of this Contract shall not be affected. In addition, if the term of any one or more CWAs continues beyond the termination date of this Contract, the terms and conditions of this Contract shall continue to apply to those CWAs until final completion and acceptance of the Work.

26.4 **GENERAL**

- 26.4.1 In no event shall PG&E be liable for lost or anticipated profits or overhead on uncompleted portions of the Work.
- 26.4.2 Contractor shall not enter into any agreements, commitments, or Subcontracts which would incur significant cancellation or termination costs without prior written approval of PG&E. Such written approval is a condition precedent to the payment of cancellation or termination charges by PG&E.
- 26.4.3 Before PG&E will release final payment, Contractor shall deliver to PG&E any and all reports, drawings, documents and deliverables prepared for PG&E before the effective date of cancellation or termination.
- 26.4.4 Commencing upon expiration, or upon notice to Contractor of cancellation or termination of a CWA or this Contract, and continuing for so long as PG&E may reasonably request, Contractor will provide reasonable assistance requested by PG&E to facilitate the orderly transfer of the Work and subject matter of the CWA or Agreement, respectively, as directed by PG&E. To the extent that compensation for such assistance is not already provided for by the CWA or Contract, PG&E and Contractor will negotiate reasonable compensation not to exceed Contractor's then-current, standard Hourly Rates for similar work.

27. **REQUIREMENTS AND POLICIES**

- 27.1 **PG&E'S SUPPLY CHAIN RESPONSIBILITY POLICY:** It is PG&E's policy that small and diverse businesses shall have the maximum practicable opportunity to participate in providing the goods and services purchased by PG&E. Small and diverse businesses include Small Business Enterprises ("**SBEs**"); Women, Minority, and Disabled Veteran Business Enterprises ("**WMDVBes**"); and Lesbian, Gay, Bisexual, and Transgender Business Enterprises ("**LGBTBEs**").

- 27.1.1 Contractor agrees to comply, and to require all Subcontractors and sub-Subcontractors to comply, with PG&E's Supply Chain Responsibility Policy, **Exhibit 2**, attached hereto and incorporated herein. Contractor shall provide a copy of **Exhibit 2** to each prospective Subcontractor.
- 27.1.2 Contractor shall act in accordance with its completed Prime Supplier Subcontracting Plan, **Exhibit 1-A**, attached hereto and incorporated herein, in the performance of the Work and in the award of all Subcontracts.
- 27.1.3 In addition, if the Contract exceeds \$500,000 (\$1 million for construction contracts), Contractor shall comply with **Exhibit 2A**, Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns, attached hereto and incorporated herein, and the Prime Supplier Subcontracting Plan must include provisions for implementing the requirements of **Exhibit 2A**.
- 27.1.4 Each Bidder's Proposal shall describe how Bidder will comply with the requirements of **Exhibit 2** if awarded the Work. The requirements of **Exhibit 2** and the successful Bidder's response, along with a completed, signed copy of **Exhibit 1-A**, will be incorporated into the Contract.

27.2 FEDERAL REQUIREMENTS

- 27.2.1 **EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION REGULATIONS POLICY:** During the performance of this Contract and to the extent they may be applicable, Contractor agrees to comply with all laws, orders, and regulations included by summary or reference in the following paragraphs
 - (i) Executive Order 11246, 41 CFR Part 60-1.4: Equal Opportunity Clause.
 - (ii) Executive Order 11246, 41 CFR Part 60-1.8: Nonsegregated Facilities.
 - (iii) Vietnam Era Veterans' Readjustment Assistance Act of 1974, 41 CFR Part 60-300.5.a: Equal Opportunity Clause. **Contractor and its Subcontractor(s) shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.**
 - (iv) Section 503 of the Rehabilitation Act of 1973, 41 CFR Part 60-741.5.a: Equal Opportunity Clause. **Contractor and its Subcontractor(s) shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**
- 27.2.2 **EXECUTIVE ORDER 13496 – EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT.** To the extent applicable, the employee notice requirements set forth in 29 C.F.R. Part 471, Appendix A to Subpart A are hereby incorporated by reference into this Contract.

- 27.3 **CONTRACTOR SAFETY PROGRAM:** Contractor represents and warrants that it will perform all applicable Work, and cause all Subcontractors to perform all applicable Work, in compliance with PG&E's Contractor Safety Program Standard Contract Requirements, as may be modified from time to time. The Contractor Safety Program Standard Contract Requirements can be located and downloaded at: www.pge.com/contractorsafety and are hereby incorporated by reference into this Contract. Contractor's failure to comply with the Contractor Safety Program Standard Contract Requirements shall be immediate grounds for termination for cause under this Contract. Notwithstanding the above, Contractor is the "controlling employer" as defined under CalOSHA and will remain responsible for all fines and liability arising from violation of the Contractor Safety Program Standard Contract Requirements and applicable law.
- 27.4 **SUPPLIER CODE OF CONDUCT: CONTRACTOR, ITS SUBCONTRACTORS AND THEIR SUPPLIERS AT ALL TIERS, SHALL COMPLY WITH PG&E'S SUPPLIER CODE OF CONDUCT IN THE AWARD AND PERFORMANCE OF ALL CONTRACTS AND SUBCONTRACTS.** The Supplier Code of Conduct requires that Contractor and each of its Subcontractors demonstrate a strong commitment to compliance, ethics, sustainability, and supplier diversity as a foundation to successful business. Contractor must complete its

Work for PG&E in full compliance with the Supplier Code of Conduct, as it may be modified from time to time. Contractor shall access, read and comply with PG&E's Supplier Code of Conduct and shall make it available to its Subcontractors and suppliers. The Supplier Code of Conduct is hereby incorporated by reference into this Contract. It is available at PG&E's website, www.PGE.com, at the following link: <http://www.pge.com/includes/docs/pdfs/b2b/purchasing/suppliers/SupplierCodeofConductPGE.pdf>

27.5 CONFLICT OF INTEREST AND BUSINESS ETHICS

- 27.5.1 **REASONABLE CARE:** Contractor shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with PG&E's interest.
- 27.5.2 **OTHER EMPLOYMENT:** During the term of this Contract, Contractor or its employees will not accept any employment or engage in any work which creates a conflict of interest with PG&E or in any way compromises the Work to be performed under this Contract.
- 27.5.3 **GIFTS:** Contractor or its employees shall not offer or cause to be offered gifts, entertainment, payments, loans and/or other services, benefits or considerations of more than a nominal value to PG&E's employees, their families, vendors, Subcontractors and other third parties.
- 27.5.4 **ACCURATE DOCUMENTATION:** All financial statements, reports, billings, and other documents rendered shall properly reflect the facts about all activities and transactions handled for the account of PG&E.
- 27.5.5 **NOTIFICATION:** The Contractor shall immediately notify PG&E of any and all violations of this clause upon becoming aware of such violation.

27.6 INJURY AND ILLNESS PREVENTION PROGRAM: In the performance of the Work under this Contract, Contractor acknowledges that it has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code. Contractor shall ensure that any Subcontractor hired by Contractor to perform any portion of the Work under this Contract shall also have an effective Injury and Illness Prevention Program. The person with the authority and responsibility for implementing and administering Contractor's Injury and Illness and Prevention Program shall execute the Compliance Certificate, **Exhibit 3**, attached hereto and incorporated herein.

27.7 PG&E DRUG AND ALCOHOL POLICY: PG&E is committed to maintain and promote job safety and health for all workers at its facilities. In addition, PG&E is determined to protect its employees, customers, and the general public while they are on PG&E property from any harm caused by illegal drug and alcohol use by non-PG&E personnel. To accomplish these objectives, PG&E has established a drug and alcohol policy for access to PG&E facilities by its Contractor and Subcontractor personnel. If any personnel of Contractor or its approved Subcontractors perform any Work or services at PG&E offices and/or other PG&E facilities, then Contractor shall comply with PG&E's Drug and Alcohol Abuse and Testing Policies, attached hereto and incorporated herein as **Exhibit 4**.

27.8 DOCUMENT RETENTION AND PRODUCTION REQUIREMENTS: PG&E is committed to maintain documents and records so as to satisfy applicable legal, contractual and regulatory requirements as well as PG&E's on-going business needs; to enable appropriate records management, provide appropriate retrieval and achieve the proper level of security and privacy. In furtherance of this commitment, Contractor agrees to comply with the requirements of **Exhibit 5**, PG&E Contractor Document Retention and Production Requirements, and **Exhibit 5A**, Document and Data List, each attached hereto and incorporated herein.

27.9 AVAILABILITY OF INFORMATION: Contractor shall keep accurate records and books of accounts, and shall preserve and make available such records and books of accounts, in accordance with the requirements of **Exhibit 6**, Audit Rights, attached hereto and incorporated herein.

27.10 CALIFORNIA HEALTH AND SAFETY CODE: The California Health and Safety Code requires businesses to provide warnings prior to exposing individuals to materials listed by the Governor as chemicals "known to the State of California to cause cancer, birth defects or reproductive harm." PG&E uses chemicals on the Governor's list at many of its facilities. In addition, many of these chemicals are present at non-PG&E-owned facilities and locations. Accordingly, in performing the Work or services contemplated under this Contract, Contractor, its employees, agents and Subcontractors may be exposed to chemicals on the Governor's list. Contractor is responsible for notifying its employees, agents, and Subcontractors that Work performed hereunder may result in exposures to chemicals on the Governor's list.

- 27.11 EXPORT CONTROLS. Contractor shall provide PG&E with information and assistance as may reasonably be required in connection with compliance with applicable import and export laws, including but not limited to, Manufacturer's Affidavits, Harmonized Tariff Schedules, Export Control Classification Numbers, and qualification information (e.g. origin) relevant to United States and foreign regulatory approvals for deliverables, products, and other materials furnished hereunder. Contractor shall make such information available to PG&E within five (5) business days following receipt of PG&E's written request.
- 27.12 WORK ON PG&E OR PG&E CUSTOMER ASSETS OR PREMISES: The following provisions shall apply to the extent that the Work under the Contract requires any Contractor or Subcontractor personnel (collectively, "**Personnel**") to have access to PG&E assets, premises, customer property, or logical access to PG&E data or systems (collectively, "**Access**").
- 27.12.1 CRIMINAL BACKGROUND CHECKS:
- (i) Contractor warrants and represents that it will not assign any Personnel to work requiring Access unless Contractor has performed a criminal background check on each such individual (either at the time of hiring or during the course of employment). Prior to assigning work requiring Access to any Personnel with one or more criminal convictions during the last seven years, Contractor must consider the gravity of the individual's offense, the time since the conviction, the successful completion of parole/probation, the individual's age at the time of conviction, the number of convictions, and the stability of the individual, including favorable work history. Contractor shall also consider the relation of the offense to the nature of the work the individual will perform.
 - (ii) Notwithstanding the foregoing, in no event shall Contractor grant Access to an individual with one or more convictions for a Serious Offense(s), which is defined as violent and sex offenses, crimes against children, domestic violence, fraud, theft (including but not limited to identity theft), embezzlement, all felonies during the last seven years, and/or two or more DUI's in the past three years.
 - (iii) Contractor shall maintain documentation related to its criminal background check investigation for all Personnel requiring Access and make it available to PG&E for audit if requested pursuant to the audit provisions of this Contract.
 - (iv) Contractor also agrees to notify PG&E if any of its Personnel requiring Access are charged with or convicted of a Serious Offense during the course of a PG&E assignment.
- 27.12.2 FITNESS FOR DUTY: Contractor shall ensure that its Personnel granted Access report to work fit for duty. Personnel with Access may not consume alcohol while on duty and/or be under the influence of drugs that impair their ability to work safely. PG&E expects each supplier to have policies in place that requires their employees report to work in a condition that allows them to perform the work safely. For example, employees should not be operating equipment under medication that creates drowsiness. As a federal contractor, PG&E does not recognize nor allow work to be completed under the influence of marijuana, whether or not it is used for medical reasons.
- 27.12.3 ELIGIBILITY FOR PG&E WORK: When assigning any Personnel to perform Work requiring Access, Contractor shall submit each person's full name and the last four digits of their social security number to PG&E at the following e-mail address: RecruitingOperations@pge.com. PG&E reserves the right to decline to accept any proposed Personnel, in which case Contractor shall promptly propose a replacement.
- 27.13 NERC REQUIREMENTS: Pursuant to a NERC directive, PG&E has implemented policies and procedures for the protection of facilities, systems, assets and information that are critical to the operation or support of the Bulk Electric System ("**BES**"). PG&E identifies these facilities, systems, assets and information in accordance with its internal utility procedures. If this Contract relates to BES Cyber Systems or Bulk Electric System Cyber System Information (as designated by PG&E), then Supplier shall comply with the requirements of **Exhibit 7**, NERC Requirements and **Exhibit 7A**, PG&E NERC CIP Program Non-Employee Attestation Form, each attached hereto and incorporated herein. Supplier represents and warrants that it has consulted with PG&E to determine whether Exhibit 7 is applicable to the Work under this Contract.

28. GENERAL PROVISIONS

28.1 AMENDMENTS, SUBCONTRACTS AND ASSIGNMENTS

- 28.1.1 **AMENDMENT:** No provision of the Contract will be deemed amended or waived by PG&E without prior written approval in the form of a signed Contract Change Order. No oral statement will modify or otherwise affect the terms and conditions set forth herein.
- 28.1.2 **SUBCONTRACTS:** Contractor shall not enter into Subcontracts without the prior written approval of PG&E (in each instance). All such approval requests shall be sent in writing to the PG&E Representative identified in the Contract or applicable CWA. Contractor agrees to impose on its Subcontractors obligations consistent with those imposed on Contractor under this Contract with respect to safety, security, confidentiality, ownership, insurance and indemnification. Contractor guarantees the performance of all Subcontractors performing any part of Contractor's responsibilities, and any breach of this Contract by Contractor's Subcontractors constitutes breach of this Contract by Contractor. Contractor agrees that Contractor is responsible for any acts or omissions of Subcontractors while performing Work hereunder. Fees and costs billed to PG&E shall be inclusive of any and all fees and compensation due to any Subcontractors. Contractor shall be solely responsible for the payment of any compensation, monies, wages or other payment due or allegedly due Subcontractors, and Subcontractors shall not seek payment (either directly or indirectly) from PG&E. Contractor acknowledges that PG&E shall have no obligation to compensate or otherwise pay a Subcontractor for any Work performed by the Subcontractor in connection with this Contract or any CWA.
- 28.1.3 **ASSIGNMENT:** PG&E may assign its rights or delegate its duties under this Contract, directly or indirectly, by operation of law or otherwise, without Contractor's prior approval or written consent, provided PG&E remains obligated to pay for services rendered up to the effective date of such transfer. Contractor may not assign its rights or delegate its duties under this Contract, directly or indirectly, by operation of law or otherwise without PG&E's prior written consent, except that Contractor may assign to Contractor's corporate affiliate in which Contractor holds a majority interest, provided that Contractor and the affiliate both remain obligated under this Contract. A party shall not unreasonably withhold, condition, or delay its consent. Subject to the foregoing, this Contract shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. Any purported assignment of rights or delegation of duties in violation of this Section is void.

28.2 DELIVERABLES AND USE RIGHTS

- 28.2.1 **ROYALTIES AND LICENSE FEES:** Royalties, license fees or other charges for patents, copyrights, licenses, or other intellectual property for designs, processes, machinery, equipment, technology, published or unpublished data, information or materials, including but not limited to, manuals, computer programs or other deliverables furnished by Contractor for the Work, or for processes or methods employed by Contractor in performing the Work, shall be included in the Contract price.
- 28.2.2 **USE AND REPRODUCTION RIGHTS:** PG&E shall have the unrestricted right of use and reproduction of all documentation, including but not limited to, instructional manuals, and other materials related to the Work furnished hereunder. Such use and reproduction by PG&E or by contractors doing work for PG&E shall not require further permission by Contractor, nor shall it constitute infringement of Contractor's ownership rights, including copyright, to such materials. Any claims of Contractor to ownership in materials furnished hereunder must be expressly set forth in the Contract or shall be disclosed to PG&E in writing.
- 28.2.3 **OWNERSHIP OF DELIVERABLES:** PG&E shall own all data, drawings, designs, reports, information, manuals, computer programs or other written, recorded, photographic or visual materials, or other deliverables produced in the performance of this Contract. Contractor shall retain no ownership, interest, or title in them except as may otherwise be provided specifically in this Contract.
- 28.2.4 **CONTRACTOR'S USE OF PG&E PROPERTY:** All records, reports, computer programs, written procedures and similar materials, documents or data, in whatever form, provided by PG&E for Contractor's use in the performance of Work under this Contract shall remain the confidential

property of PG&E and shall be returned to PG&E immediately upon completion of Contractor's use for the performance of Work or earlier upon the written request of PG&E.

- 28.2.5 **THIRD PARTY LICENSES:** Contractor represents and warrants that it shall comply (and ensure that its personnel and subcontractors comply) with all third party licenses, terms of use, policies and procedures that apply to or otherwise govern access to and/or use of any third party materials made available by PG&E to Contractor under this Contract.
- 28.3 **NO PUBLICITY:** Contractor shall not include PG&E's name, any reference to this Contract, or any reference to PG&E's purchase or use of any products or services provided by Contractor in Contractor's published customer list or in other publicity or advertisement (including Contractor's internet site(s)) without the prior written consent of an officer of PG&E. The fact that the Parties have entered into this Contract does not constitute, nor does it imply in any way, an endorsement of Contractor by PG&E, and Contractor will not state or imply that PG&E endorses, recommends, or vouches for Contractor in any form of written, verbal, or electronic advertisement, communication, or any other business development effort.
- 28.4 **LEGAL REPRESENTATION:** Each Party has had the opportunity to consult legal counsel, and has, to the extent it deems necessary, consulted legal counsel in connection with the negotiation and execution of this Contract.
- 28.5 **CHOICE OF LAWS:** This Contract shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction. Any controversy or claim arising out of or in any way relating to this Contract which cannot be amicably settled without court action shall be litigated in a California State Court of competent jurisdiction; or if jurisdiction over the action cannot be obtained in a California State Court, in a Federal Court of competent jurisdiction situated in the State of California. The parties hereby waive any and all objections to the exclusive right of such courts to hear such disputes, including but not limited to objection as improper jurisdiction or forum non conveniens.
- 28.6 **DISPUTE RESOLUTION**
- 28.6.1 **EXECUTIVE NEGOTIATIONS:** The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Contract promptly by negotiations between a vice president of PG&E or his or her designated representative and an executive of similar authority of Contractor. Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Within 20 days after delivery of such notice, the executives shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute.
- 28.6.2 **MEDIATION:** If the matter has not been resolved within 30 days of the first meeting of the executives, either Party may at any time thereafter request mediation by written notice to the other Party. The mediation shall be conducted by a mutually-agreeable mediator with experience mediating complex commercial disputes. If the matter has not been resolved with 60 days after the request for mediation, then either Party may initiate litigation.
- 28.6.3 **PERFORMANCE:** Except as otherwise expressly provided in this Contract, each Party is required to continue to perform its obligations under this Contract pending final resolution of any dispute arising out of or relating to this Contract.
- 28.6.4 **CONFIDENTIALITY OF DISPUTE RESOLUTION PROCESS:** All negotiations and any mediation conducted pursuant to this Article are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.
- 28.6.5 **PRELIMINARY INJUNCTION:** Notwithstanding the foregoing provisions, a Party may seek a preliminary injunction or other provisional judicial remedy if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo.
- 28.7 **NON-WAIVER:** The waiver by either Party of any breach of any term, covenant or condition contained in this Contract, or any default in the performance of any obligations under this Contract, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition or obligation. Nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same.

- 28.8 **ENFORCEABILITY:** If any of the provisions or application of any of the provisions, of this Contract are held to be illegal or invalid by a court of competent jurisdiction, PG&E and Contractor shall negotiate in good faith an equitable adjustment in the provisions of this Contract with a view toward effectuating the purpose of this Contract. The illegality or invalidity of any of the provisions, or application of any of the provisions, of this Contract will not affect the legality or enforceability of the remaining provisions or application of any of the provisions of the Contract.
- 28.9 **ENTIRE AGREEMENT:** This Contract constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to the subject matter hereof and has been induced by no representations, statements or agreements other than those herein expressed.
- 28.10 **SURVIVAL:** Those provisions which by their nature should continue, including but not limited to the provisions concerning insurance, indemnity, liability, infringement protection, assignment, warranties and guarantees, document retention, business ethics, and availability of information, shall survive termination, cancellation or expiration of this Contract.

EXHIBIT LME

Time START: _____ END: _____

If Subcontract Enter Name Here:

SHEET _____ OF _____ SHEETS

CONTRACTOR'S LABOR

[illegible]

March 2017

EXHIBIT 1

PRIME SUPPLIER SUBCONTRACTING PLAN INSTRUCTIONS

Contractor shall provide a signed Prime Supplier Subcontracting Plan (**Exhibit 1A**) describing Contractor's planned utilization of Subcontractors and Suppliers. The first line on the form is completed as a sample. Line by Line instructions follow. Respond "N/A" for anything that is not applicable.

- (1) Provide the complete name of the Subcontractor or Supplier. Do not abbreviate - please spell out any acronyms.
- (2) Provide the California Contractor's License Number of each Subcontractor or Supplier (if applicable).
- (2a) Provide the Expiration Date of the Subcontractor or Supplier's California Contractor's License.
- (3) Indicate whether Subcontractor or Supplier is signatory to a labor union by responding "Yes" or "No."
- (4) Provide CPUC Clearinghouse Verification Order Number (VON) of Subcontractor's or Supplier as listed in the CPUC Clearinghouse Database (if applicable). To locate the VON, diversity status, or to find potential subcontractors, access the following site:
 - CPUC Clearinghouse Database: <https://sch.thesupplierclearinghouse.com/frontend/searchcertifieddirectory.asp>
- (5) Provide Small Business number of Subcontractor or Supplier (if applicable). To determine status or to find potential subcontractors, access the following sites:
 - California Department of General Services (DGS): <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>
 - U.S. Small Business Administration (SBA): <https://www.sba.gov/contracting/getting-started-contractor/qualifying-small-business>
- (6) Provide the Small Business Code of Subcontractor or Supplier (if applicable). See Small Business Code List in Exhibit 1A.
- (7) Provide a description of the work to be performed or major materials to be supplied by the Subcontractor or Supplier.
- (7a) Indicate whether the work to be performed by each Subcontractor or Supplier includes excavation by responding "Yes" or "No." Refer to Section 4216 of the California Government Code for the definition of "excavation."
- (8) Indicate the Gold Shovel Status for each Subcontractor or Supplier by responding as appropriate:
 - "N/A" for Subcontractor or Supplier who will not perform excavation work.
 - "Active" for Subcontractor or Supplier with an active Gold Shovel Certification.
 - "Inactive" for Subcontractor or Supplier that does not have current Gold Shovel Certification. Attach an explanation to Exhibit 1A indicating when Contractor anticipates Subcontractor or Supplier will obtain Gold Shovel Certification.To determine status or to find potential subcontractors, access the following site: <http://www.goldshovelstandard.com>
- (9) Indicate whether each Subcontractor or Supplier will be performing low, medium, or high risk work by responding "Low", "Med", or "High". Refer to PG&E's Contractor Safety Program Contract Requirements at <http://www.pge.com/contractorsafety> for risk definitions.
- (10) Provide ISNetwork (ISN) Identification Number of each Subcontractor or Supplier performing medium to high risk work.
 - Respond "N/A" for any Subcontractor or Supplier performing low risk work.
 - Respond "None" if Subcontractor or Supplier has not completed ISN prequalification. Attach an explanation to Exhibit 1A explaining when Contractor anticipates Subcontractor or Supplier prequalification will be complete.
- (10a) Indicate whether Subcontractor or Supplier performing medium to high risk work is Prequalified in ISN by responding "Yes" or "No." Respond "N/A" for each Subcontractor or Supplier performing low risk work.
 - To determine prequalification status or to find potential subcontractors, access the following site:
https://www.pge.com/en_US/for-our-business-partners/purchasing-program/suppliers/suppliers.page
- (11) Provide the estimated amount to be paid to each Subcontractor or Supplier.
- (12) Provide the total estimated amount to be paid to all Subcontractors and Suppliers.
- (13) Provide the total estimated amount to be paid to the Prime Contractor or Supplier for work to be self-performed.
- (14) Provide the total bid value in U.S. Dollars for all work to be performed.
- (15) Provide the total estimated amount to be paid to all CPUC Clearinghouse Subcontractors and Suppliers with a VON.
- (16) Provide the total estimated amount to be paid to all Small Business Subcontractors and Suppliers.

EXHIBIT 1A

Name of Preparer:

Telephone: (

E-Mail:

Is Prime Contractor/Supplier CPUC Clearinghouse Certified?

Is Prime Contractor/Supplier a Registered Small Business?	Yes	No	Small
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(1) Name of Subcontractor or Supplier	(2) / (2a) Contractor's License # / Expiration Date		(3) Union Signatory?	(4) CPUC VON#	(5) Small Business #'	(6) Small Business Code	(7) / (7a) Description of Work to be Performed or Major Materials to be Supplied / Excavation Required?	(8) Gold Shovel Status	(9) Risk Level	(10) / (10a) ISN ID# / Prequalified?	(11) Estimated Amount to be Paid	
Small Diverse Subcontractor, Inc.	123456	12/31/17	Yes	999999999	1234567	SBE-DGS	Demolition	Active	High	400-111111	Yes \$Example	
											\$	
											\$	
											\$	
											\$	
											\$	
											\$	
											\$	
											\$	
											\$	
											\$	
Small Business Code List												
SBE-DGS A small business certified by the California Department of General Services (DGS)												
SBE-SBA A small business certified by the U.S. Small Business Administration (SBA)												
SBE-OTH A small business certified by another agency that issues a Small Business number												
								(12) Total All Subcontractors and Suppliers				\$
								(13) Total Self-Performed by Prime Contractor / Supplier:				\$
								(14) Total Bid Value:				\$
Signature:								Date:				
I hereby certify that the information listed is true to the best of my knowledge								(15) Total CPUC Clearinghouse Certified:				\$
								(16) Total Small Business Certified:				\$

EXHIBIT 2

PG&E'S SUPPLY CHAIN RESPONSIBILITY POLICY

PG&E is committed to supply chain responsibility, including supplier diversity, sustainability, and ethical supply chain practices.

- PG&E's Supplier Diversity Program, launched in 1981, aims to provide diverse suppliers with economic opportunities to supply products and services to PG&E.
- The Supplier Sustainability Program, launched in 2007, encourages supplier responsibility, excellence and innovation.
- Promoting an ethical supply chain means that ethical supplier performance, including a supplier's efforts in each of the following areas, is an important consideration in supplier selection: health and safety, labor issues, human rights, ethical business conduct, and conflicts of interest.

SUPPLIER AND ITS SUBCONTRACTORS OF ALL TIERS MUST COMPLY WITH PG&E'S SUPPLY CHAIN RESPONSIBILITY POLICY IN THE AWARD OF ALL SUBCONTRACTS. This Policy requires that small and diverse businesses shall have the maximum practicable opportunity to participate in the performance of work, including Small Business Enterprises ("**SBEs**"); Women, Minority and Disabled Veteran Business Enterprises ("**WMDVBEs**"); and Lesbian, Gay, Bisexual, and Transgender Business Enterprises ("**LGBTBEs**").

In order to be considered for this Contract, the Supplier must comply with the following requirements:

1. Supplier shall provide a copy of this **Exhibit 2** to each prospective Subcontractor.
2. Supplier shall provide a separate signed Prime Supplier Subcontracting Plan (**Exhibit 1A**). Supplier shall also describe its Supply Chain Responsibility efforts and planned outreach to small, diverse businesses.
3. Qualifying Subcontractors must be certified as follows:
 - a. Small Business Enterprises must be registered as a small business with a state or federal agency (e.g. California Department of General Services or Small Business Administration);
 - b. Women-, minority-, and lesbian, gay, bisexual and transgender-owned businesses must be certified by the California Public Utilities Commission's Supplier Clearinghouse; and
 - c. Service disabled veteran-owned businesses must be certified by the California Department of General Services.
4. No later than the 10th of each month, Supplier shall submit its Subcontracting spend with small and diverse Subcontractors using PG&E's electronic reporting system located at the following address: <https://cvmas10.cvmsolutions.com/pge/default.asp>. To establish a User ID for use in the reporting system, Supplier shall submit a request via email to the following e-mail address: PVB1@pge.com.
5. For contracts exceeding \$500,000 (or \$1 million for construction), Suppliers must comply with the Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns, as described in **Exhibit 2A**. The Prime Supplier Subcontracting Plan for these contracts must include provisions for implementing the terms of this **Exhibit 2**.

EXHIBIT 2A

**POLICY REGARDING UTILIZATION OF SMALL BUSINESS CONCERNS AND
SMALL DISADVANTAGED BUSINESS CONCERNS**

The following policy of the United States shall be adhered to in the performance of this Contract:

- a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in performing contracts let by any Federal Agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems. It is further the policy of the United States that prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals.
- b) Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. Contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of Contractor's compliance with this clause.
- c) As used in this Contract, the term "small business concern" shall mean a small business as defined in Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern (1) which is at least 51 percent unconditionally owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 percent of the stock of which is unconditionally owned by one or more socially and economically disadvantaged individuals; and (2) whose management and daily business operations are controlled by one or more of such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian tribe or Native Hawaiian Organization, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one of these entities which has its management and daily business controlled by members of an economically disadvantaged Indian tribe or Native Hawaiian Organization, and which meets the requirement of 13 CFR Part 124. Contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to Section 8(a) of the Small Business Act. Contractor shall presume that socially and economically disadvantaged entities also include Indian Tribes and Native Hawaiian Organizations.
- d) Contractor acting in good faith may rely on written representations by its subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.¹

¹ Notwithstanding this provision of the federal statute, all WMDVBE subcontractors must be verified pursuant to the procedures prescribed in Section 2 of CPUC General Order 156, as such procedures may be amended periodically.

EXHIBIT 3
INJURY AND ILLNESS PREVENTION PROGRAM
COMPLIANCE CERTIFICATE

The undersigned hereby certifies to PG&E as follows:

1. The Company, and any Subcontractor hired by the Company to perform any portion of the Work under this Contract, has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code.
2. The undersigned is an authorized representative of the Company identified below, with the authority and responsibility for implementing and administering the Company's Injury and Illness Prevention Program.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate.

Company: _____

By: _____

Print Name: _____

Title: _____

Date Signed: _____

**EXHIBIT 4
PG&E DRUG AND ALCOHOL ABUSE
AND TESTING POLICIES**

I. PG&E POLICY

- 1.0 PREFACE: PG&E is committed to maintain and promote job safety and health for all workers at its facilities. In addition, PG&E is determined to protect its employees, customers, and the general public while they are on PG&E property from any harm caused by illegal drug and alcohol use by non-PG&E personnel. To accomplish these objectives, PG&E has established the following drug and alcohol policy for access to PG&E facilities by its Contractor and Subcontractor personnel.
- 2.0 COVERAGE: This policy applies to the personnel of all PG&E Contractors and Subcontractors performing any work or services at PG&E offices and/or any other PG&E facilities.
- 3.0 POLICY: PG&E may deny access to, or remove from, its facilities the personnel of any Contractor or Subcontractor, who PG&E has reasonable grounds to believe has:
- 3.1 Engaged in alcohol abuse or illegal drug activity which in any way impairs PG&E's ability to maintain safe work facilities, to protect the health and well-being of PG&E employees, customers, and the general public, and to promote the public's confidence in PG&E's service and operations; or
- 3.2 Been found guilty, pled guilty, or pled nolo contendere to a charge of sale or distribution of any illegal drug or controlled substance as defined under Federal or California law within the past five years, unless the criminal record was later expunged or sealed by a court order.
- 4.0 PROHIBITED ACTIVITIES: The following activities are prohibited at all facilities owned or leased by PG&E:
- 4.1 Possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances as defined under Federal or California law;
- 4.2 Possessing, furnishing, selling, offering, or using alcoholic beverage, or being under the influence of alcohol.
- 5.0 ACTIONS: Where reasonable cause exists that paragraph 4 of this policy has been violated, the Contractor or Subcontractor must inform the PG&E representative responsible for the Contract. The Contractor or Subcontractor is also expected to take any or all of the following actions to the fullest extent they are permitted under governing collective bargaining agreements and/or its applicable security and human resources policies.
- 5.1 Search the individual, his or her vehicle, locker, storage area, and personal effects;
- 5.2 Require the individual to undergo a medical examination to determine their fitness for duty. Such examination shall include obtaining a urine and/or blood specimen for drug or alcohol analysis unless the examining physician deems such tests to be inappropriate;
- 5.3 Take any other appropriate action to determine if there has been a violation of paragraph 4. Refusal to comply with a request made under this paragraph shall be grounds for denying access to, or immediate removal from, any PG&E facility.
- 6.0 PERMISSION TO RE-ENTER: Any individual who has been denied access to, or removed from, PG&E facilities or violating this policy may obtain permission to enter or reenter provided the individual establishes, to the satisfaction of his or her employer and PG&E, that the previous activity which formed the basis for denying access or removal has been corrected and his or her future conduct will conform with this policy. PG&E retains the right of final approval for the entry or reentry of any individual previously denied access to or removed from PG&E facilities.

II. U.S. DEPARTMENT OF TRANSPORTATION REGULATIONS FOR DRUG AND ALCOHOL TESTING OF COMMERCIAL MOTOR VEHICLE DRIVERS AND OF NATURAL GAS PIPELINE WORKERS

- 1.0 Contractor agrees that, to the extent it may be applicable to this Contract, Contractor shall comply with the U.S. Department of Transportation's (DOT) regulations for (i) commercial motor vehicle drivers, 49 CFR 382, Controlled Substances and Alcohol Use and Testing and (ii) work on gas, hazardous liquid and carbon dioxide pipelines, and liquefied natural gas pipelines, 49 CFR Parts 192, 193 or 195, Control of Drug Use in Natural Gas, Liquefied Natural Gas and Hazardous Pipeline Operations. Contractor shall establish and maintain a drug and alcohol testing program for its employees consistent with 49 CFR Part 40, Procedures for Transportation Workplace Drug Testing Programs and 49 CFR 199, Drug and Alcohol Testing, as applicable. Contractor shall ensure that any Subcontractor hired by Contractor to perform any portion of the Work under this Contract that is regulated by 49 CFR 192, 193, 195 or 382 shall also have a drug and alcohol testing program that complies with applicable DOT requirements.
- 2.0 PG&E's duly authorized representatives, the CPUC, DOT and appropriate agencies shall have, during the term of the Contract and for two years thereafter, access at all reasonable times to Contractor's drug and alcohol testing program records for the purpose of monitoring compliance with DOT regulations. Contractor shall ensure that any Subcontractor hired by Contractor to perform any portion of the Work regulated by 49 CFR Part 192, 193, 195 or 382 under this Contract shall also provide access to its drug and alcohol testing program records to PG&E's authorized representatives, the CPUC, DOT and appropriate agencies for the purpose of monitoring compliance with DOT regulations. Failure to comply with this requirement may, at PG&E's option, result in cancellation or termination of existing contracts and the loss of opportunity to bid on future contracts.

EXHIBIT 5

PG&E CONTRACTOR DOCUMENT RETENTION AND PRODUCTION REQUIREMENTS

1. Contractor agrees to retain all documents and data, whether paper or electronic, created, collected or received for PG&E in the course of performing the Work or furnishing the materials under the Contract, including without limitation, documents, data, plans, drawings, diagrams, investigative notes, field notes, tests, photographs, records, calculations, summaries, and reports; provided that Contractor is not required to retain (i) draft versions of final written documents such as reports, presentations, or other written deliverables and (ii) documents that are inconsequential or ancillary to performance and documentation of the project or its deliverables as follows:
 - ☐ a. the documents and data specified in Exhibit 5A, Document and Data List, to this Contract and/or in individual work authorizations (CWA) under this Contract; or
 - ☐ b. all documents and data, whether paper or electronic, created, collected or received for PG&E in the course of performing the Work or furnishing the materials under the Contract.
- If neither Section 1(a) or Section 1(b) is checked, Section 1(b) shall apply. If Section 1(a) is checked, but documents and data are not specified in Exhibit 5A, or in a subsequently issued CWA, Section 1(b) shall apply. Collectively, the information shall hereinafter be referred to as "PG&E Contractor Documents."
2. Contractor shall store PG&E Contractor Documents in a secure and organized manner. All PG&E Contractor Documents shall be in legible form, whether paper or electronic. In managing and administering PG&E Contractor Documents, Contractor will comply with the requirements of "The Generally Accepted Recordkeeping Principles[®]" (see www.arma.org), or with modified requirements approved in writing by PG&E.
3. Upon completion of the Work or furnishing of the materials under the Contract, or upon completion of the Work or furnishing of the materials under each CWA under the Contract ("Work Completion Date"), PG&E will specify which of PG&E Contractor Documents must be transmitted by Contractor to PG&E ("PG&E Records"), provided however, unless otherwise agreed by PG&E:
 - a. Contractor shall transmit to PG&E, or provide PG&E access to, PG&E Records on request within forty eight (48) hours or sooner if needed (without limitation) for regulatory, CPUC, safety, audit and/or litigation requirements;
 - b. PG&E may specify that PG&E Records be delivered to PG&E on a regular basis prior to the Work Completion Date;
 - c. With respect to PG&E Contractor Documents not transmitted to PG&E as PG&E Records, Contractor shall retain all such documents for twenty four (24) months after the Work Completion Date ("Post-Termination Retention Period"). During the Post-Termination Retention Period, PG&E Contractor Documents shall be retained by Contractor at no additional cost to PG&E until disposed of in accordance with Section 6 below. To the extent PG&E requests Contractor to retain PG&E Contractor Documents after the Post-Termination Retention Period, the parties will mutually agree on the terms and conditions of such additional retention;
 - d. If PG&E Records are kept in electronic form, the following formats are acceptable for transmission to PG&E: (i) PDF, CAD or TIFF for drawings and diagrams and (ii) PDF for all other documents. If PG&E Records transmitted to PG&E consist of data in a proprietary format, Contractor shall make available to PG&E the proprietary tools or software necessary to access the data including after the transfer of the data to PG&E. This Section 3.d. shall not abrogate Contractor's obligation to produce PG&E Records in an alternative format (e.g., a native format) if set forth elsewhere in the Contract, in which case Contractor shall produce PG&E Records in each of the formats requested.
4. PG&E Contractor Documents shall be treated as confidential and shall not be disclosed to others unless Contractor is required to produce such documents pursuant to legal or regulatory requirements, in which case Contractor shall give PG&E maximum practicable advance notice prior to any production.
5. Contractor shall maintain a system for back-up of electronic PG&E Contractor Documents (e.g., files or databases) so they will be preserved for retrieval in the event that the originals are lost or destroyed.
6. If PG&E directs Contractor to dispose of PG&E Contractor Documents, Contractor shall do so in a confidential and secure manner, whether the format is electronic or paper. Proof of destruction of PG&E Contractor Documents shall be submitted to PG&E upon request.
7. If PG&E provides paper documents to Contractor in order to convert them to digital electronic format, Contractor shall return both the paper documents and the documents converted to digital electronic format to PG&E.
8. Contractor is responsible for ensuring that its Subcontractors regardless of tier comply with the obligations of Contractor where set forth in this Exhibit 5.
9. The terms and conditions of this Exhibit 5, including Exhibit 5A if attached, shall survive the termination of this Contract.

EXHIBIT 5A
DOCUMENT AND DATA LIST

If Section 1(a) of Exhibit 5 is checked, Contractor agrees that in connection with this Contract or CWA, as applicable, the following PG&E Contractor Documents will be created, received and/or maintained by Contractor:

*[Insert list of all specific PG&E Contractor Documents
required under this Contract or CWA]*

Nov 2015

EXHIBIT 6 AUDIT RIGHTS

1. ACCURACY OF RECORDS.

1.1 Contractor shall keep accurate records and books of accounts showing the items and costs billed under this Contract, as well as cost data supporting the Contract proposal and/or other representations, including detailed supporting cost data for assumptions and calculation of indirect cost rates specified in the Contract. Contractor shall also maintain nonfinancial documentation and records related to Work performed hereunder but not delivered to PG&E.

1.2 Contractor's books and records must provide sufficient detail to verify the charges shall include, without limitation, the following:

- Payroll records (hours, employee name, employee classification, multiplier breakdown, etc.) that account for total time worked under the Contract;
- Canceled payroll checks or signed receipts for cash payroll;
- Invoices (including all back-up details) for purchases, receiving and issuing documents, and all inventory records for Contractor's stock or capital items;
- Paid invoices and canceled checks for purchased materials, Subcontractor, and third-party charges;
- Records relating to air freight and ground transportation, including but not limited to handling, hauling, and disposing of materials/equipment; and
- Accurate, auditable records of gifts and entertainment to individual PG&E personnel.

2. **AVAILABILITY OF RECORDS.** Contractor shall preserve and make available its records and books of accounts, both manual and those which are in machine readable form (collectively, "Records"), for a period of three years from the date of final payment under this Contract. If this Contract is terminated, Contractor's Records shall be preserved and made available for a period of three years from the date of termination or of any resulting final settlement, whichever is later. Records which relate to litigation or the settlement of claims arising out of the performance of this Contract, or costs and expenses of this Contract to which exception has been taken by PG&E, shall be retained until such appeals, litigations, claims, or exceptions have been concluded.
3. **AUDIT.** Upon reasonable notice, PG&E or its representatives shall have the right to audit, without restrictions and at no additional cost to PG&E, at any time during normal business hours, the items and costs described in this Section, including without limitation, all fees and direct and indirect costs incurred by Contractor and billed to PG&E, to verify the rates and costs billed to PG&E hereunder are as represented by Contractor. PG&E may use recognized statistical sampling methods to determine an estimate of the total amount, if any, of PG&E overpayments or underpayments to Contractor.
4. **OVERPAYMENTS.** Contractor shall refund to PG&E any payments to Contractor which are not in accordance with Contract terms or are not supported by Contractor Records or other valid evidence.
5. **ERRORS/IRREGULARITIES.** If errors, irregularities, inaccuracies, mistakes or the like ("Errors") are discovered by audit or other means and PG&E relied upon such Errors in accepting the rates, the affected rates shall be adjusted accordingly, with such adjustment retroactive to the effective date of the Contract and any overpayments refunded to PG&E.
6. **MISREPRESENTATION OF COST OR PRICING DATA.** If any price, including profit or fee, negotiated in connection with this Contract, or any cost reimbursable under this Contract, was increased by any significant amount because Contractor or a Subcontractor misrepresented cost or pricing data in negotiations, the price or cost shall be reduced accordingly. This provision also applies to any future change order or modification to this Contract which involves the submission of cost or pricing data. The knowing misrepresentation of cost or pricing data by Contractor shall be considered a material breach of this Contract.
7. **TRANSACTION COSTS.** If an audit determines that Contractor overcharged PG&E or if Contractor knowingly submits overcharges or misrepresents cost or pricing data in any amount, Contractor agrees to reimburse PG&E both the amount of the overcharges plus PG&E's associated transaction costs, including but not limited to costs associated with the discovery and determination of the overcharge amount, the discovery of misrepresented cost or pricing data, and the quantification of any resulting overcharges.
8. **INTEREST ON OVERPAYMENTS.** If PG&E makes an overpayment to Contractor as a result of Contractor over billings, Contractor shall be liable to PG&E for interest on the amount of such overpayment to be computed (1) for the period beginning on the date the overpayment was made to Contractor and ending on the date Contractor repays the amount of such overpayment to PG&E, and (2) at a rate equal to the prime rate charged by the Bank of America, NT&SA, San Francisco, California.
9. **SUBCONTRACTS.** Contractor shall include the requirements of this Exhibit in each Subcontract.

Exhibit 7
NERC REQUIREMENTS

I. Applicability to Bulk Electric System Cyber Systems and Information

Pursuant to a directive from the North American Electric Reliability Corporation ("NERC"), PG&E has implemented policies and procedures for the protection of facilities, systems, assets and information that are critical to the operation or support of the Bulk Electric System ("BES"). PG&E identifies these facilities, systems, assets and information in accordance with its internal utility procedures.

If this Contract relates to BES Cyber Systems or BCSI (as designated by PG&E), then Contractor must comply with the additional requirements described in this Exhibit 7. Contractor represents and warrants that it has consulted with PG&E to determine whether Exhibit 7 is applicable.

II. Definitions

The following terms are defined for use in this Exhibit:

"Access" means:

- 1) Unescorted access by any person to facilities, systems and functions that PG&E deems critical to the support of the Bulk Electric System ("Critical Facilities and/or Critical Systems"), including persons working within PG&E Critical Facilities and/or Critical Systems; and
- 2) Physical or electronic access by any person to BCSI, or administrative control over BCSI or systems containing BCSI. For the avoidance of doubt, disclosing BCSI to a person by any means constitutes Access to such information by that person.

"BCSI" means Bulk Electric System Cyber System Information in any form (whether printed or electronic) including data, files, and file attributes. BCSI is information about a BES Cyber System that could be used to gain unauthorized access or pose a security threat to the BES Cyber System, as determined by PG&E. BCSI is typically classified by PG&E as "NERC CIP Confidential – BCSI" or "Restricted – BCSI," but not all BCSI data will be designated as such in all formats.

"BES" means Bulk Electric System.

"PRA" means Personal Risk Assessment.

"NERC" means North American Electric Reliability Corporation.

"WECC" means Western Electricity Coordinating Council.

III. NERC CIP Security Obligations

- A. Contractor shall comply with all cyber security policies, plans and procedures relating to the BES Cyber Systems and/or BCSI as directed by PG&E. As directed by PG&E, Contractor shall provide documentation and evidence demonstrating such compliance. This may include the conduct of periodic tests and audits as specified by PG&E from time to time. Contractor acknowledges that Contractor's failure to comply and demonstrate compliance may subject Contractor and/or PG&E to fines and other sanctions.
- B. Before being granted Access, Contractor must satisfactorily complete PG&E's Vendor Security Review process. If Work is to be performed at Contractor locations, those locations must be approved by PG&E following completion of the Vendor Security Review Process. PG&E's approval does not limit its rights to conduct periodic audits and reviews as provided in the Contract.

- C. Contractor shall ensure that (i) any BCSI that is obtained by Contractor is stored and Accessed only within the United States, (ii) BCSI is not copied, exported, transferred or otherwise transmitted outside the United States, and (iii) no third party (including without limitation any individual, corporation, government or governmental agency), system or environment located outside the United States obtains Access to BCSI through Contractor. Without limiting any other term of this Contract, a third party, system, or environment will be deemed to have Access to BCSI if Contractor shares BCSI with such third party, system, or environment in any manner, or if such third party uses access tokens, cards, credentials, or other means of authentication furnished to Contractor by PG&E to obtain, view, download, or copy BCSI.
- D. Contractor shall ensure that any personnel requiring Access successfully complete background checks ("**Personnel Risk Assessments**" or "**PRAs**") and PG&E-mandated security training before they obtain Access, in accordance with the following requirements:
- 1) Contractor shall perform a background screening for each individual that includes each of the following criteria: (i) Social Security Number verification; (ii) City, County, State and Federal Criminal Check for felonies and misdemeanors over the past seven years (in up to three counties where the individual has lived in the past seven years); (iii) "Global Watch" (check of 19 Federal and International Terrorist Watch lists); and (iv) validation of current residence and confirmation of continuous residence at this site for a minimum of the most recent 6 months (confirmed by period of residence, employment, or education at a specific site) and validation of other locations where, during the seven years immediately prior to the date of the criminal check specified in 4a(ii) above, the individual has resided for six consecutive months or more.
 - 2) After performing an acceptable background check, the Contractor shall provide PG&E's Human Resources Department with a Personnel Risk Assessment Attestation Form in the form attached hereto as **Exhibit 7A** for the individual prior to the individual being granted Access. PG&E may request that Contractor provide a copy of the complete Personnel Risk Assessment results at the time the PRA Form is submitted.
 - 3) Contractor shall require that each individual complete an initial training and annual PG&E web-based training session on safety, information security, compliance with PG&E codes and procedures, including but not limited to CORP-0804 Cyber and Physical Security Awareness training (or alternative training as designated by PG&E). Contractor shall direct that each individual complete the PG&E training program by CD or by hard copy format, if Contractor informs PG&E that web based training is not feasible.
 - 4) After Contractor certifies to PG&E completion of the requirements set forth in paragraphs a. through c. above, PG&E will issue appropriate Access credentials. PG&E will deny Access to any individual for whom Contractor has not certified completion of the requirements set forth in paragraphs D(1) through (3) above.
 - 5) Every seven years, Contractor shall perform background screening as described herein for each individual on continuing assignment who has Access.
 - 6) Contractor shall retain documentation supporting the Personnel Risk Assessment Attestation Form for each individual with Access for a minimum of seven years.
 - 7) PG&E may audit Contractor's background screening methodology and substantiate the accuracy of Personnel Risk Assessment Attestation Forms for each individual. Contractor shall respond to any auditing requests and activities, including but not limited to data requests, within one business day. PG&E and/or WECC will set the frequency of auditing the Contractor's PRA process and supporting records.
- E. In addition to its other indemnity obligations hereunder, Contractor shall indemnify and hold harmless PG&E for any fines, penalties or other sanctions assessed against PG&E (including but not limited to fines, penalties or sanctions assessed against PG&E by the WECC, NERC, or the Federal Energy Regulatory Commission (FERC) for a violation of any NERC reliability standard) caused by Contractor's failure to perform its obligations under this Contract.

August 2017

**EXHIBIT 7A
PG&E NERC CIP PROGRAM
NON-EMPLOYEE ATTESTATION FORM
COMPLETION OF PERSONNEL RISK ASSESSMENT (PRA) PROCESS**

Please initial next to each line item below to verify that the following Non-Employee has received satisfactory results for each of the required background checks.

Non-Employee Name: _____

Contractor Name: _____

Requisition and/or PO Number: _____

Date NERC Background Check Completed: _____

Background Investigation – Completed and Passed the Following (Includes International Components When Applicable). Initial next to each:

- _____ Criminal Felony / Misdemeanor Search: Past 7 years, all names, all counties off the social trace (include past 7 years residency check)
- _____ Federal Criminal Search: Past 7 years, all names off the social trace
- _____ Prohibited Parties
- _____ SSN Trace
- _____ SSN Validation
- _____ Statewide Criminal Search

By completing and signing this form, Contractor confirms that the background investigation has been executed and satisfactory results received according to PG&E NERC CIP Program specifications for the above stated Non-Employee. All supporting documents must be kept on file with Contractor for a minimum of 7 years following the end of the Contractor's last non-employee's assignment at PG&E. Random audits of supporting documents may be conducted by PG&E or its designee, consistent with its right under the PG&E/Contractor contract, to ensure compliance with the requirements designated in the certification and contract.

☐ I hereby certify that I am authorized to sign on behalf of the aforementioned Contractor:

Contractor Representative Signature: _____

Contractor Representative Name (print): _____

Date Signed: _____

If you have any questions and need additional details regarding this process, please contact the PG&E Human Resources Department at nercaccess@pge.com.